

Appropriations for FY2003: Interior and Related Agencies

March 15, 2003

Congressional Research Service

<https://crsreports.congress.gov>

RL31306

Summary

The Interior and Related Agencies Appropriations bill includes funds for the Department of the Interior (DOI), except for the Bureau of Reclamation, and funds for some agencies or programs within three other departments—Agriculture, Energy, and Health and Human Services. It also funds numerous smaller related agencies. On February 4, 2002, President Bush submitted his FY2003 budget for Interior and related agencies, totaling \$18.94 billion compared to \$19.17 billion enacted for FY2002 (P.L. 107-63). While the House passed an Interior funding bill in the 107th Congress, the Senate did not. Thus, a series of resolutions were enacted to continue funding at FY2002 levels.

On January 23rd, 2003, the Senate passed H.J.Res. 2, the omnibus appropriations bill for FY2003 that included funding for Interior and related agencies and 10 other regular appropriations bills not enacted for FY2003. For Interior and related agencies, the Senate bill contained \$18.97 billion for FY2003, plus an \$825 million fire supplemental for FY2002, for a bill total of \$19.80 billion. The Senate bill required an across-the board cut of 2.852% that the numbers in this report do not reflect, as it is unclear how they were to be calculated for the Interior and related agencies. The House-passed measure (H.R. 5093, 107th Congress) contained \$19.71 billion for FY2003, plus a \$700 million fire supplemental for FY2002, for a bill total of \$20.41 billion. The conference report on the measure (H.Rept. 108-10) was signed into law on February 20, 2003 (P.L. 108-7).

The FY2003 law contained \$19.08 billion for Interior and related agencies, plus \$825.0 million for fire fighting to repay transferred amounts for fire fighting in FY2002. It provides that an across the board 0.65% cut be applied on a proportionate basis to each account, and to each program, project, and activity within an account. Again, the figures in this report do not reflect proportionate cuts, as it is unclear how they too would be calculated for the Interior and related agencies. The law does not specifically fund the Conservation Spending Category, although the House bill had recommended \$1.44 billion for FY2003, higher than the Administration (\$1.32 billion). It provides increases over the Administration's request for some agencies, including the U.S. Geological Survey, Bureau of Land Management, Forest Service, Indian Health Service, and Energy Department programs, while providing decreases from the request for other agencies.

Controversial issues addressed during Interior bill consideration included: fire management, stewardship contracting, and wilderness in the Tongass National Forest (see FS); development in the Arctic National Wildlife Refuge and renewal of grazing permits and leases (see BLM); Missouri River flows (see FWS); Everglades restoration; (see NPS and cross-cutting issues); funding for land acquisition and conservation (see cross-cutting issues); development of oil and gas leases off the California coast (see MMS); management of the Indian tribes' trust funds and assets (see BIA and OST); and drought assistance. This report will not be updated.

Contents

Most Recent Developments.....	1
Introduction	1
Status	2
Major Funding Trends.....	5
Funding to Combat Terrorism	5
FY2001 and FY2002 Regular Appropriations to Combat Terrorism.....	5
FY2001 and FY2002 Supplemental Appropriations.....	5
Further FY2002 Emergency Supplemental Funding (P.L. 107-206)	6
The FY2003 Budget to Combat Terrorism	6
Department of Homeland Security	7
Key Policy Issues	7
Title I: Department of the Interior	7
Bureau of Land Management.....	7
Fish and Wildlife Service.....	11
National Park Service	15
Historic Preservation.....	19
U.S. Geological Survey.....	21
Minerals Management Service	24
Office of Surface Mining Reclamation and Enforcement.....	26
Bureau of Indian Affairs	27
Departmental Offices	33
Title II: Related Agencies and Programs.....	36
Department of Agriculture: Forest Service	36
Department of Energy	40
Energy Conservation.....	43
Department of Health and Human Services: Indian Health Service.....	45
Office of Navajo and Hopi Indian Relocation	47
Smithsonian, National Endowment for the Arts, and National Endowment for the Humanities	49
Cross-Cutting Topics.....	54
The Land and Water Conservation Fund (LWCF)	54
Conservation Spending Category	56
Everglades Restoration	57
For Additional Reading	61
Title I: Department of the Interior.....	61
Land Management Agencies Generally	61
Title II: Related Agencies.....	62
Selected World Wide Web Sites	62
Title I: Department of the Interior.....	63
Title II: Related Agencies.....	63
Departments	63
Agencies.....	64
Key Policy Staff	74

Tables

Table 1. Status of Department of the Interior and Related Agencies Appropriations, FY2003.....	2
Table 2. Interior and Related Agencies Appropriations, FY1999 to FY2003.....	5
Table 3. Appropriations for BLM, FY2002-FY2003.....	10
Table 4. Funding for Endangered Species Programs, FY2002-FY2003	11
Table 5. Funding for National Wildlife Refuge System, FY2002-2003	13
Table 6. Funding for Multinational Species Conservation Fund and Migratory Bird Fund, FY2002-2003	14
Table 7. Appropriations for NPS, FY2002-FY2003	16
Table 8. Appropriations for the Historic Preservation Fund (FY2002-FY2003).....	21
Table 9. Appropriations for the U.S. Geological Survey, FY2002-FY2003	24
Table 10. Appropriations for the Bureau of Indian Affairs, FY2002-FY2003	29
Table 11. Federal Wildland Fire Management Funding, FY2002-FY2003.....	37
Table 12. Appropriations for DOE Energy Conservation, FY2002-FY2003	44
Table 13. Smithsonian Institution Appropriations FY2002-2003.....	51
Table 14. Arts and Humanities Funding FY2002-FY2003.....	53
Table 15. LWCF Funding: FY2000 through FY2003	55
Table 16. Appropriations for Everglades Restoration in the DOI Budget (FY2002-FY2003)	58
Table 17. Department of the Interior and Related Agencies Appropriations.....	66
Table 18. Conservation Spending Category: Interior Appropriations	69
Table 19. Historical Appropriations Data from FY1998 to FY2003	72

Contacts

Author Information.....	74
-------------------------	----

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, consolidated, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Interior Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

NOTE: A Web version of this document with active links is available to congressional staff at: <http://www.crs.gov/products/appropriations/apppage.shtml>.

Most Recent Developments

On February 20, 2003, the omnibus appropriations resolution for FY2003 (H.J.Res. 2) was signed into law as P.L. 108-7. It included funding for Interior and related agencies and 10 other regular appropriations bills not enacted for FY2003. Previously, Interior and related agencies were operating under a series of resolutions, that continued funding at FY2002 levels. The final FY2003 appropriation provided \$19.08 billion for the Interior and related agencies plus \$825.0 million to repay transferred amounts for fire fighting in FY2002. It also included a 0.65% across-the-board cut that is not reflected in the numbers in this report, as it is unclear how they would be calculated for the Interior and related agencies appropriations.

Introduction

The annual Interior and related agencies appropriations bill includes funding for agencies and programs in four separate federal departments, as well as numerous smaller agencies and bureaus. The bill includes funding for the Interior Department, except for the Bureau of Reclamation (funded by Energy and Water Development Appropriations laws), and funds for some agencies or programs in three other departments—Agriculture, Energy, and Health and Human Services. Title I of the bill includes agencies within the Department of the Interior which manage land and other natural resource or regulatory programs, the Bureau of Indian Affairs, and insular areas. Title II of the bill includes the Forest Service of the Department of Agriculture; several activities within the Department of Energy, including research and development programs, the Naval Petroleum and Oil Shale Reserves, and the Strategic Petroleum Reserve; and the Indian Health Service in the Department of Health and Human Services. In addition, Title II includes a variety of related agencies, such as the Smithsonian Institution, National Gallery of Art, John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, the National Endowment for the Humanities, and the Holocaust Memorial Council.

Status

Table I. Status of Department of the Interior and Related Agencies Appropriations, FY2003

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6/25/02	—	7/11/02 (H.Rept. 107-564)	7/17/02 (377-46)	6/28/02 S.Rept. 107-201	1/23/03 H.J.Res.2 (69-29)	2/13/03 (H.Rept. 108-10)	2/13/03 (338-83)	2/13/03 (76-20)	2/20/03 P.L. 108-7

On February 4th, 2002, President Bush submitted his FY2003 budget to Congress. The FY2003 request for Interior and related agencies totaled \$18.94 billion compared to the \$19.16 billion enacted for FY2002 (P.L. 107-63), a decrease of \$219.7 million. For agencies within DOI, the Administration requested a total of \$9.45 billion, including \$2.36 billion for the National Park Service; \$2.25 billion for the Bureau of Indian Affairs; \$1.83 billion for the Bureau of Land Management; \$1.28 billion for the U.S. Fish and Wildlife Service; \$867.3 million for the U.S. Geological Survey; \$423.5 million for Departmental Offices (including \$159.0 million for the Special Trustee for American Indians); \$279.4 million for the Office of Surface Mining Reclamation and Enforcement; and \$170.3 million for the Minerals Management Service. For related agencies, the FY2003 budget requested \$3.95 billion for the Forest Service; \$2.82 billion for the Indian Health Service; and \$1.72 billion for Energy programs. For other related agencies, the Smithsonian Institution would have received \$528.0 million; the National Endowment for the Humanities, \$125.8 million; and the National Endowment for the Arts, \$99.5 million.

In this report, the FY2003 budget totals do not include amounts for President Bush's proposal to shift to agencies the full cost of federal employee pensions and health benefits.¹ The term "appropriations" generally represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals. Increases and decreases generally are calculated on comparisons between the funding levels appropriated for FY2002 and requested by the President or recommended by Congress for FY2003. The FY2003 requests contained some substantial changes in agencies' budgets from the FY2002 levels. *Increases* were proposed for some agencies, including the Indian Health Service (\$+56.5 million), Bureau of Indian Affairs (\$+32.9 million), Minerals Management Service (\$+13.6 million), Smithsonian Institution (\$+ 9.1 million), and the U.S. Fish and Wildlife Service (\$+6.9 million). *Decreases* were proposed for other agencies, such as Forest Service (\$-181.7 million), Department of Energy (\$-49.2 million), U.S. Geological Survey (\$-46.7 million), Bureau of Land Management (\$-47.2 million), Office of Surface Mining Reclamation and Enforcement (\$-27.1 million), and National Park Service (\$-24.5 million).

On February 27th, 2002 the House Appropriations Interior Subcommittee began hearings on the FY2003 budget for Interior and related agencies. Interior Secretary Norton testified on topics including the Cooperative Conservation Initiative, landowner partnerships and other conservation

¹ The FY2003 Administration proposal to shift the full cost of the Civil Service Retirement System and the Federal Employees Health Benefits program to salaries and expenses accounts of agencies would likely have added \$246 million to DOI's budget request for FY2003 (excluding the Bureau of Reclamation). For an explanation of this proposal, see CRS Report RL30023, *Federal Employee Retirement Programs: Budget and Trust Fund Issues*.

tools, Indian trust funds, Indian education, the maintenance backlog of the National Park Service, Everglades restoration, funds for the National Wildlife Refuge System, the Cooperative Endangered Species Conservation Fund, energy programs and activities, land use planning, wildland fire management, homeland security, and assistance to territories and freely associated states. Members also questioned the Secretary regarding proposed cuts to the U.S. Geological Survey and the proposed transfer of its toxic substances program to the National Science Foundation, and the Administration's examination of workforce restructuring and privatizing jobs. Also addressed during questioning were the strategic petroleum reserve; oil and gas exploration, including the Arctic National Wildlife Refuge; the Klamath Basin; and the proposed elimination of the Urban Park and Recreation Recovery program. Subcommittee hearings continued from February through April, 2002.

On June 25, 2002, the House Appropriations Interior Subcommittee marked up and ordered reported to the full Committee on Appropriations its FY2003 funding recommendations. On July 9, 2002, the Committee marked up these recommendations, and on July 11, 2002, H.R. 5093 was reported (H.Rept. 107-564). The measure was debated in the House on July 16 and 17, and passed, amended, on July 17, 2002 (377-46). The House bill was sent to the Senate and placed on the Senate calendar on July 18, 2002.

The Senate development of its Interior appropriations bill began when the Senate Appropriations Interior Subcommittee held a hearing on June 13, 2002. Interior Secretary Norton testified, voicing similar concerns as in her House testimony. The Secretary also emphasized that the Administration requested funds for enhanced security measures, including \$23.7 million for the National Park Service to begin construction of enhanced security systems at the Washington Monument and the Lincoln and Jefferson Memorials. Bypassing subcommittee markup, on June 27, 2002, the Senate Committee on Appropriations marked up and ordered reported its FY2003 funding recommendations. On June 28, 2002, the bill was reported (S. 2708, S.Rept. 107-201) and placed on the Senate calendar.

On September 4, 2002, the Senate began consideration of H.R. 5093, the House funding bill, with the Senate version as a substitute amendment. The Senate debated the bill for 10 days, agreeing to a number of amendments, but discontinued debate on September 25, 2002. The Senate did not pass an Interior funding bill in the 107th Congress. Controversies involving funding for, and management of, wildfires were largely responsible for the protracted debate and lack of a vote on final passage. There were unsuccessful attempts to invoke cloture on a wildland fire amendment offered by Sen. Byrd (No. 4480) to provide \$825 million in FY2002 emergency funds for firefighting costs. An amendment by Sen. Craig (No. 4518) on forest thinning was a major focus of the floor debate, with no resolution. Both fire amendments remained pending when the Senate discontinued debate on the bill. (For more information, see "U.S. Forest Service" below.)

The Senate debated other contentious issues. On September 10, 2002, the Senate adopted a second degree amendment (No. 4481) to provide an estimated \$6 billion in farm disaster/drought relief assistance. Another controversy involved an amendment by Sen. Dodd (No. 4522) on federal recognition of Indian tribes, which was tabled.

Issues in addition to fire and drought that generated significant discussion during House and/or Senate consideration included: stewardship contracting and wilderness in the Tongass National Forest (see FS); development in the Arctic National Wildlife Refuge and renewal of grazing permits and leases (see BLM); Missouri River flows (see FWS); Everglades restoration; (see NPS and cross-cutting issues); funding for land acquisition and conservation (see cross-cutting issues); development of oil and gas leases off the California coast (see MMS); and management of the Indian tribes' trust funds and assets (see BIA and OST). Several issues that have been the focus of attention in previous years, including funding for the National Endowment for the Arts and

energy conservation and weatherization programs, were not as controversial in this appropriation cycle.

On January 23rd, 2003, the Senate passed H.J.Res. 2, the Omnibus Appropriations bill for FY2003 that included funding for Interior and related agencies and the 10 other FY2003 appropriations bills that have not been enacted. For Interior and related agencies, the Senate bill contained \$18.97 billion for FY2003, and \$825 million for FY2002 to replace monies spent on wildfire fighting, for a bill total of \$19.80 billion. These figures do not reflect across-the-board cuts contained in the omnibus measure, as it is unclear how they would be calculated for the Interior and related agencies bill overall and for particular departments, agencies, and programs in the bill. Specifically, the omnibus bill contained an across-the-board rescission of 1.6%. Another section of the bill requires an increase to that rescission by the amount necessary to offset \$5 billion in additional education spending. According to CBO, this amount could generate an additional 1.252% reduction, for a total reduction in the Senate-passed bill currently estimated at 2.852%.

The Senate omnibus bill, like the House-passed bill of last year, contained more money for DOI and related agencies for FY2003 than the Administration. The House-passed bill has the highest total amount—\$19.71 billion for FY2003, plus a \$700 million fire supplemental for FY2002, for a bill total of \$20.41 billion. Although the Senate-passed bill did not specifically fund the Conservation Spending Category (**Table 18**), the House bill provides \$1.44 billion for FY2003, higher than the Administration (\$1.32 billion). The House-passed bill provides higher funding for wildland fire fighting in FY2003 than the Senate or the Administration. Both the House and Senate proposed increases over FY2002 for the U.S. Geological Survey, while the Administration proposed a sizeable decrease for that agency. The House-passed bill also contained increases over the Administration's and Senate's levels for the Bureau of Land Management, National Park Service, Fish and Wildlife Service, Forest Service, Energy Department programs, and Indian Health Service.

Conferees on H.J.Res. 2 were appointed by the Senate on January 23, 2003, and by the House on January 29, 2003. The House-passed version of the Interior bill was contained in H.R. 5093 (107th Congress).

The House and Senate agreed to the conference report (H.Rept. 108-10) on H.J.Res. 2, the Consolidated Appropriations resolution for FY2003, on February 13, 2003, providing appropriations for the Interior and Related Agencies and 10 other regular appropriations measures. On February 20, 2003, President George Bush signed the measure into law as P.L. 108-7. Previously, Interior and related agencies were operating under a series of resolutions that continued funding at FY2002 levels. The final appropriation for FY2003 provided \$19.08 billion for the Interior and related agencies plus \$825.0 million for fire fighting to repay transferred amounts for fire fighting in FY2002. It provided that a 0.65% cut be applied on a proportionate basis to each account, and to each program, project, and activity within an account. The figures in this report do not reflect across-the-board cuts, as it is unclear how they would be calculated for the Interior and related agencies.

Major Funding Trends

Table 2. Interior and Related Agencies Appropriations, FY1999 to FY2003

(budget authority in billions of current dollars)

FY1999	FY2000	FY2001	FY2002	FY2003
\$14.3	\$14.9	\$18.9	\$19.2	\$19.1

Note: These figures exclude permanent budget authorities, and generally do not reflect scorekeeping adjustments. However, they reflect rescissions.

During the ten year period from FY1994 to FY2003, Interior and related agencies appropriations increased by 42% in current dollars, from \$13.4 billion to \$19.1 billion. Most of the growth occurred during the latter years. For instance, during the five year period from FY1994 to FY1998, appropriations increased by 3% in current dollars, from \$13.4 billion to \$13.8 billion. By contrast, during the most recent five years, from FY1999 to FY2003, funding increased by 33% in current dollars, from \$14.3 billion to \$19.1 billion. The single biggest increase during the decade occurred from FY2000 to FY2001, when the total appropriation rose 27% in current dollars, from \$14.9 billion to \$18.9 billion. Much of the increase was provided to land management agencies for land conservation and wildland fire management. See **Table 17** for a comparison of FY2002-FY2003 Interior Appropriations, and

Table 19 for a budgetary history of each agency, bureau, and program from FY1998 to FY2003.

Funding to Combat Terrorism

FY2001 and FY2002 Regular Appropriations to Combat Terrorism

It is not clear what level of funding for anti-terrorism came from the regular FY2001 and FY2002 Interior appropriations laws. The annual appropriations laws, as well as agency budgets, typically include money for combating terrorism as part of larger line items or program requests. One example is the \$3.0 million provided to the Bureau of Land Management in FY2002 to identify and evaluate oil and gas resources and reserves on public lands in light of terrorist attacks on the United States. The Administration asserted that such attacks have potential for disruptions to America's energy supply.

FY2001 and FY2002 Supplemental Appropriations

On September 18, 2001, Congress enacted a \$40 billion Emergency Supplemental Appropriation for FY2001, P.L. 107-38,² in response to the terrorist attacks on the United States on September 11th, 2001. The \$40 billion package was distributed in three phases. First, \$10 billion was to be immediately available and dispersed by the President in consultation with the House and Senate Appropriations Committee leaders. Second, an additional \$10 billion was available to be obligated following a 15-day notification to the Congress. Third, a final \$20 billion could be obligated only after money was allocated in another emergency appropriations act (P.L. 107-117). For more information on the FY2001 supplemental, see CRS Report RL31173, *Combating Terrorism: First Emergency Supplemental Appropriations-Distribution of Funds to Departments and Agencies*.

² Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

Of the \$20 billion provided by P.L. 107-38 that did not need additional legislation, programs under the jurisdiction of the Department of Interior and Related agencies appropriations received \$3.1 million. Specifically, there was \$1.7 million for the National Park Service, Operations of the National Park System, and \$1.4 million for the U.S. Park Police (National Park Service) for emergency response costs in New York City and Washington, D.C.³

P.L. 107-38 also required OMB to submit to Congress a proposal for the allocation of the \$20 billion that needed to be specified in another appropriations act. The OMB submitted its \$20 billion proposal on October 17, 2001. On January 10, 2002, Congress enacted P.L. 107-117, providing emergency supplemental funds for FY2002.⁴ The law contained \$88.1 million in total appropriations for anti-terrorism activities for the programs in the Department of the Interior⁵ and related agencies appropriations bills.

Further FY2002 Emergency Supplemental Funding (P.L. 107-206)

On August 2, 2002, President Bush signed into law (P.L. 107-206) the FY2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States. The law contained \$30 billion for anti-terrorism, defense, homeland security, and economic revitalization, and \$5.1 billion for contingent emergency spending. Included in the “contingent” amount were funds for several agencies funded through the DOI and related agencies bills, but those funds were not obligated. Under §1404 of P.L. 107-206, the President had 30 days within enactment to decide whether to designate all or none of the \$5.1 billion as emergency spending in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985. The money was not to be obligated unless the President designated it as emergency funding. On August 13th, 2002, President Bush announced his rejection of the \$5.1 billion in contingent emergency spending, remarking that some of the money has “nothing to do with a national emergency.” The President indicated he would seek, in a separate supplemental request, \$1 billion of the \$5.1 billion for selected programs.

On September 3, 2002, President Bush submitted a supplemental FY2003 request for \$1.0 billion that would fund some of the activities left unfunded when he rejected the \$5.1 billion contingent emergency appropriations for FY2002. The request did not include funds for DOI and related agencies. (For more information on supplemental funding, see CRS Report RL31406, *Supplemental Appropriations for FY2002: Combating Terrorism and Other Issues*.)

The FY2003 Budget to Combat Terrorism

For FY2003, the Administration sought \$37.7 billion for homeland security of which \$25.2 billion was discretionary budget authority for non-Department of Defense operations.⁶ Among the categories for homeland security funding were: supporting first responders, defending against

³ The U.S. Park Police are authorized to prevent acts of terrorism at monuments and buildings owned and managed by the NPS, including monuments, memorials, and associated facilities in Washington D.C., New York City, and San Francisco. Among the protected entities are the White House, Lincoln Memorial, Jefferson Memorial, Washington Monument, Statue of Liberty, Presidio, and areas around the U.S. Capitol.

⁴ Department of Defense (Division A) and Emergency Supplemental Appropriations (Division B) for Recovery from and Response to Terrorist Attacks on the U.S. Act.

⁵ The Bureau of Reclamation (receiving \$30.2 million in the FY2002 supplemental) is not discussed in this report because although it is part of the Department of the Interior, it is not funded by Interior and related agencies appropriations bills. For a discussion of funding for the Bureau of Reclamation, see CRS Report RL31307, *Appropriations for FY2003: Energy and Water Development*.

⁶ See The Budget of the U.S. Government, FY2003, table S-5, p. 399.

bio-terrorism, securing our borders, sharing information and using technology, aviation security and “other homeland security.” However, the FY2003 budget did not specify the homeland security responsibilities that would be carried out by agencies funded in the Interior and related agencies bill.

According to DOI, “additional” funding in the FY2003 budget for combating terrorism totaled \$88.8 million. The additional funding was divided among the National Park Service, Office of the Secretary of the Interior, and Bureau of Reclamation. Specifically, of the \$88.8 million, \$56.5 million was for the National Park Service for heightened security and terrorist prevention in the operation of parks, to protect “the symbols and icons of American Freedom that are contained in the National Park System.” Part of the NPS funding was to be used by the U.S. Park Police for counter-terrorism activities and to augment security in urban areas. Another \$5.6 million of the \$88.8 million was for law enforcement and physical security for the Office of the Secretary of the Interior. The remaining \$26.7 million was for the Bureau of Reclamation, which is funded in Energy and Water Appropriations laws.

Department of Homeland Security

On November 25, 2002, a measure (H.R. 5005) to create the Department of Homeland Security (DHS) became law (P.L. 107-296). The Department was created to coordinate federal activities related to combating terrorism, combining and supplying transfer authority for approximately 30 activities currently conducted in various departments and agencies. There is no specific mention in the law of the transfer to the new department of any programs funded in the Interior and related agencies bill. There was only one reference in the House report language (accompanying H.R. 5005) to the Secretary of the Interior’s identification of Indian tribes that perform law enforcement functions. See CRS Report RL31493, *Homeland Security: Department Organization and Management*. The Secretary of Homeland Security received certain authority to transfer appropriations to aid in the establishment of the department (P.L. 107-294). For information on transfer authority as related to the Homeland Security Department, see CRS Report RL31514, *Department of Homeland Security: Appropriations Transfer Authority*.

Key Policy Issues

Title I: Department of the Interior

For further information on the *Department of the Interior*, see its World Wide Web site at <http://www.doi.gov>.

Bureau of Land Management

The Bureau of Land Management (BLM) manages approximately 264 million acres of public land for diverse, and at times conflicting uses, such as minerals development, energy development, livestock grazing, recreation, and preservation. The agency also is responsible for about 700 million acres of federal subsurface mineral resources throughout the nation, and supervises the mineral operations on an estimated 56 million acres of Indian Trust lands. Another key BLM function is wildland fire management on about 370 million acres of DOI, other federal, and certain non-federal land.

For FY2003, Congress enacted \$1.88 billion for the BLM, excluding \$189.0 million enacted to repay transfers from other appropriations for fire fighting in FY2002. This level is more than the FY2003 amount that was requested by the Administration (\$1.83 billion) and originally passed by

the Senate (\$1.86 billion) but less than the amount that had been approved by the House (\$1.91 billion, excluding a \$200.0 million supplemental for FY2002 for fire fighting expenses). It is slightly higher than FY2002 (\$1.87 billion). See **Table 3**.

Management of Lands and Resources

For Management of Lands and Resources, Congress enacted \$825.7 million for FY2003. This is a \$50.1 million increase (6%) over FY2002 (\$775.6 million). This line item funds an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration.

Energy and Minerals. For the energy and minerals program, including Alaska minerals, for FY2003 Congress enacted \$109.1 million, a \$9.6 million increase (10%) over FY2002 (\$99.5 million). Congress supported, while going beyond, the President's request for additional funds (\$107.1 million) over FY2002. The Administration had sought the additional funds to increase the availability of oil and gas on federal lands—a goal of the President's National Energy Plan—including Alaska North Slope oil and gas development. In particular, the Administration requested additional monies to expedite the permitting and rights of way processes, increase oil and gas lease sales, evaluate and eliminate barriers to energy production, and increase environmental inspections. The conferees on the Interior appropriations bill added funds beyond the request, for purposes including permitting and rights of way in Nevada and applications for permits to drill.

The FY2003 law retains Senate language related to the renewal of the right of way for the Trans-Alaska Pipeline, a controversial right of way across federal lands. The language deems the Final Environmental Impact Statement (EIS) for the renewal of the right of way to be sufficient to meet the requirements of §102(2)(C) of the National Environmental Policy Act, to preclude legal challenges to the document's sufficiency for that purpose. However, the FY2003 law dropped language regarding another controversial right of way. The Senate-passed bill would have prohibited appropriations for DOI from being used to issue a right of way for a pipeline related to the Cadiz Groundwater Storage and Dry-Year Supply Program. The Cadiz project was developed to store Colorado River water, for later use, in the groundwater basin underlying parts of San Bernardino County in California.

The FY2003 law bars funds in the bill from being used for energy leasing activities within the boundaries of national monuments, as they were on January 20, 2001, except where allowed by the presidential proclamations that created the monuments. Supporters of this language feared that the Administration could adjust the boundaries of national monuments in order to allow energy leasing, while opponents asserted that the language would preclude development of needed energy resources. An identical provision was enacted in FY2002.

Arctic National Wildlife Refuge. In earlier action, the House Committee on Appropriations had agreed to report language on the energy and minerals program in general, and also stating that no funds were included in the FY2003 funding bill “for activity related to potential energy development within the Arctic National Wildlife Refuge [ANWR]” (H.Rept. 107-564, H.R. 5093). Section 1003 of the Alaska National Interest Lands Conservation Act (ANILCA, P.L. 96-487) currently prohibits leasing “or other development leading to production of oil and gas” on ANWR lands (which were then known as the Arctic National Wildlife Range), unless authorized by Congress. Thus, the Committee's report language generally was viewed as barring the use of funds for preleasing studies and other preliminary work related to oil and gas drilling in ANWR. The report of the Senate Committee on Appropriations did not contain this prohibition.

Conferees on the FY2003 Interior appropriations bill included language in the joint explanatory statement stating that they “do not concur with the House proposal concerning funding for the energy and minerals program.” This change from the House report language has been interpreted by some as potentially making available funds for preliminary work related to development in ANWR. However, as noted, the prohibition contained in ANILCA remains in effect, so the ability to use money in the bill may not be clear with respect to particular pre-leasing activities.

Grazing. The FY2003 Interior appropriations law provides for the automatic renewal of grazing permits and leases that expire, are transferred, or waived during FY2003 and that were issued by the Secretary of the Interior or the Secretary of Agriculture. The automatic renewal continues until the permit renewal process is completed under applicable laws and regulations, including any necessary environmental analyses. The terms and conditions in expiring permits or leases would continue under the new permit or lease until the renewal process is completed (except for certain Agriculture permits under the Senate bill). A provision in previous appropriations laws contained similar language for the Secretary of the Interior but not for the Secretary of Agriculture. This controversial provision was advocated as necessary to address heavy agency workloads in processing the grazing permits and leases that are up for renewal. Opponents fear that permits with possibly detrimental terms or conditions could continue.

Land Use Planning. For FY2003, Congress enacted \$47.6 million for land use planning, a substantial increase (44%) over the \$33.0 million appropriated for FY2002. All BLM lands (except some in Alaska) are covered by a land use plan, and plans are to be amended or revised as new issues arise and conditions change. The Senate, House, and Administration had sought increased funds over FY2002. The additional funds are to be used to initiate new land use plans and to accelerate the development or amendment of land use plans that are underway to reflect current conditions, requirements, and issues. The Administration’s priority is to address issues including increased energy development, enhanced protection from wildfire, and resolution of resource conflicts. The additional funds are part of a multi-year effort to update land use plans, about half of which are out of date, according to the BLM.

Wildland Fire Management

For wildland fire management for FY2003, Congress enacted \$654.4 million, a reduction from the FY2002 level (\$678.4 million). The wildland fire funds appropriated to BLM are used for fire fighting on all Interior Department lands. Interior appropriations laws also provide funds for wildland fire management to the Forest Service (Department of Agriculture) for fire programs primarily on its lands. A focus of both departments is the National Fire Plan, developed after the 2000 fire season, which emphasizes reducing hazardous fuels, among other provisions. The conferees did not concur with Senate report language requiring 70% of hazardous fuels funds to be used in the wildland urban interface, on the grounds that existing collaboration with communities and criteria for project selection are adequate for determining how to spend these funds. The FY2003 law also contains \$189.0 million for DOI’s wildland fire management to repay amounts transferred from other accounts for fire fighting during FY2002. (For more information, see “U.S. Forest Service” below.)

Payments in Lieu of Taxes Program (PILT)

For PILT, Congress enacted \$220.0 million, an increase over FY2002 (\$210.0 million). The Administration had sought significantly less—\$165.0 million—for this program that compensates local governments for federal land within their jurisdictions. The program has been controversial because in recent years appropriations have been substantially less than authorized amounts.

Land Acquisition

For Land Acquisition, the FY2003 law contains \$33.5 million, divided among 18 projects in 8 states. This is a sizeable reduction (33%) from FY2002 (\$49.9 million). The Administration and House had supported higher amounts (\$44.7 million and \$47.5 million respectively), while the Senate had approved a lower level (\$30.2 million). The money would be appropriated from the Land and Water Conservation Fund. The BLM seeks to emphasize alternatives to fee title land purchases, such as land exchanges and purchase of conservation easements and development rights, which it asserts are less expensive approaches. (For more information, see the “Land Acquisition” section below.)

Table 3. Appropriations for BLM, FY2002-FY2003

(\$ in millions)

Bureau of Land Management	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Management of Lands and Resources	\$775.6	\$813.0	\$816.1	\$826.9	\$825.7
Wildland Fire Management	678.4	653.8 ^b	654.3 ^b	655.3 ^b	654.4 ^b
Central Hazardous Materials Fund	10.0	10.0	10.0	10.0	10.0
Construction	13.1	11.0	13.0	11.0	12.0
Payments in Lieu of Taxes	210.0	165.0	210.0	230.0	220.0
Land Acquisition	49.9	44.7	30.2	47.5	33.5
Oregon and California Grant Lands	105.2	105.6	105.6	105.6	105.6
Range Improvements	10.0	10.0	10.0	10.0	10.0
Service Charges, Deposits, and Forfeitures ^c	8.0	0	0	0	0
Miscellaneous Trust Funds	12.4	12.4	12.4	12.4	12.4
Total Appropriations	1,873 ^a	\$1,825	1,861	1,909	1,884

a. Includes contingent emergency appropriations.

b. Do not include FY2002 supplemental funds requested by the Administration and passed by the chambers as part of the FY2003 bills, or \$189.0 million enacted for FY2003 to replace monies borrowed from other accounts in FY2002.

c. The FY2003 figures of “0” are a result of an appropriation of \$7.9 million with \$7.9 million in offsetting fees.

For further information on the *Bureau of Land Management*, see its World Wide Web site at <http://www.blm.gov/nhp/index.htm>.

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries.

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

CRS Report RL31392. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

Fish and Wildlife Service

For FY2003, the Administration requested \$1.28 billion for the Fish and Wildlife Service (FWS), a slight increase (0.5%) over FY2002. (With the addition of some large accounts that are permanently appropriated, and therefore do not require action in an annual appropriation bill, the Administration's proposed total FWS spending would remain flat, at \$1.94 billion.) The Senate passed \$1.21 billion for FWS for FY2003 in annual appropriations. The House-passed version was \$1.40 billion. The FY2003 appropriations law provides \$1.25 billion in annual appropriations.

By far the largest portion of the FWS annual appropriation is for the Resources Management account. The Senate's bill contained \$902.7 million for FY2003, down \$0.9 million from the Administration's FY2003 budget request but up \$52.1 million from FY2002. The House approved \$918.4 million. The FY2003 appropriations law provides \$917.4 million.

Endangered Species Funding

Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. For FY2003, the Administration proposed that the program remain at the FY2002 level of \$125.7 million, although its subprograms would show significant changes from previous years. The Senate rejected the proposed amount, and raised the program by \$5.7 million over FY2002 (\$131.5 million). The House approved \$130.2 million. The FY2003 appropriations law provided \$132.6 million. (See **Table 4**.)

A number of related programs also benefit conservation of species that are listed or proposed for listing under the Endangered Species Act. The Cooperative Endangered Species Conservation Fund (for grants to states and territories) would decrease from \$96.2 million to \$91.0 million under the President's request. The FY2003 appropriations law provides \$81.0 million. The Landowner Incentive Program would increase by \$10 million to \$50 million under the President's proposal; the FY2003 appropriations law provides a net of \$0, by rescinding the \$40 million appropriated in FY2002 and appropriating \$40 million for FY2003. Stewardship Grants would remain at \$10 million under the President's proposal and the new law reallocates the \$10 million appropriated for FY2002 to FY2003. The report of the Senate Committee on Appropriations was critical of this and the preceding program as well, and likewise provided only sufficient funds for its evaluation and the distribution of previously appropriated funds.⁷

Overall, FY2003 enacted funding for the Endangered Species program and related programs would decrease from FY2002 by \$58.4 million (21.5%). The Senate had approved a decrease of 21.6% from FY2002. By contrast, the President had approved an increase of 1.7% while the House had passed a larger increase—10.9%.

Table 4. Funding for Endangered Species Programs, FY2002-FY2003

(\$ in thousands)

	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Endangered Species Program					

⁷ The primary criticism of this and the Landowner Incentive Program was the amount of time it took to issue regulations for these new programs. The extent to which this interval is substantially longer than that for other new programs is unclear, however. There was also a concern that the two programs may overlap existing programs.

	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Candidate Conservation	\$7,620	\$8,682	\$9,982	\$8,682	9,932
Listing	9,000	9,077	9,077	9,077	9,077
Consultation	45,501	47,770	47,970	47,770	47,770
Recovery	63,617	60,215	64,427	64,715	65,840
<i>Subtotal</i>	<i>125,738</i>	<i>125,744</i>	<i>131,456</i>	<i>130,244</i>	<i>132,619</i>
Related Programs					
Cooperative Endangered Species Conservation Fund	96,235	91,000	81,000	121,400	81,000
Landowner Incentive Program	40,000	50,000	600	40,000	0
Stewardship Grants	10,000	10,000	200	10,000	0
Total	271,973	276,744	213,256	301,644	213,619

Missouri River

The FY2003 law expresses the sense of Congress that various parties in a dispute over management of the Missouri River (and the resulting effects on chicks and nests of two listed species—least tern and piping plover) should reach agreement on a flow schedule for the river as soon as possible in 2003. The language does not address the surrounding controversy about two proposals by the Corps of Engineers. Both proposals would modify the flow regime of the river, to the benefit of the barge industry, but both, according to FWS, would harm the two listed species. One of the proposals would require moving the chicks and nests off Missouri River sandbars and into a captive rearing facility; the other proposal would not risk flooding of nests, but would avoid that by simply flooding much suitable habitat continuously during the nesting season. The provision does not insulate Corps activities from citizen suits under the Endangered Species Act (ESA), and some environmental groups, alleging harm to listed species from past transfers of nests, already have indicated their intention to sue the Corps under ESA for its management of Missouri River flows. The language originally was adopted as an amendment to the Senate-passed bill. The House bill contained no similar language.

National Wildlife Refuge System

On March 14, 2003, the nation will observe the centennial of the creation by President Theodore Roosevelt of the first National Wildlife Refuge on Pelican Island in Florida. Accordingly, various renovations, improvements, and activities are planned to celebrate this event. For FY2003, the Administration, House, and Senate proposed overall increases for the National Wildlife Refuge System (NWRS) at 17.7%, 17.7%, and 13.1% respectively. The FY2003 law provides for a 15.9% increase. **See Table 5.**⁸ With respect to the operations and maintenance component of the System, the President proposed an increase of 7.6%; the bill as enacted provided a 25.8% increase. For NWRS infrastructure improvements, the Administration recommended \$52.0

⁸ Spending for the NWRS is under the “Refuges and Wildlife” budget activity, which includes programs which are not directly tied to the NWRS: recovery of the Salton Sea (in California), management of migratory birds throughout the country and in cooperation with other nations, and law enforcement operations around the country. These programs are not included here, but are contained in tables in Appropriations Committee reports.

million, more than double the previous year; the proposal was supported by the House. The FY2003 appropriations law contained no specific funding for this program. The law continued an existing prohibition on expenditures to establish a new unit of the NWRS unless the purchase is approved in advance by the House and Senate Appropriations Committees. This prohibition would not apply to creation of new refuges approved by the Migratory Bird Conservation Commission, since its acquisition funds are permanently appropriated.

Interest in energy development in the Arctic National Wildlife Refuge (ANWR) in Alaska is intense, and the House Committee on Appropriations proposed that the allocation for management of ANWR increase from \$2.19 million to \$2.38 million, even though funds for the general management of specific refuges are not usually earmarked in appropriations bills. As is usually the case, no specific earmark is provided for ANWR management, nor for any other specific refuge, in the Senate Committee report. The conference committee did not change the House allocation. However, the conference agreement did remove a restriction within the BLM budget regarding potential development in ANWR. (See discussion under *Arctic National Wildlife Refuge* under BLM, above.)

Table 5. Funding for National Wildlife Refuge System, FY2002-2003

(\$ in millions)

Refuge Program	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	Enacted
Operations and Maintenance	294.0	316.5	360.9	316.5	369.8
Cooperative Conservation Initiative	0.0	5.0	0.0	0.0	0.0
Infrastructure Improvement	23.0	52.0	0.0	52.0	0.0
Youth Conservation Corps	2.0	2.0	0.0	2.0	0.0
Challenge Cost-sharing and Invasive Species	0.0	0.0	0.0	5.0	0.0
Total	319.0	375.5	360.9	375.5	369.8

The FY2003 Budget Justification also addresses the impact on FWS law enforcement of recent terrorist attacks in the United States. It states:

The September 11, 2001 terrorist attacks continue to have rippling effects on law enforcement programs throughout the country, including the [NWRS], which has increased security at refuge facilities. The refuge system has responsibilities to provide protection for the resources, visitors, and facilities along coastal areas, the Mexico and Canada borders, and urban areas. In addition, many refuge officers are being sent on temporary assignments throughout the U.S. to support the Department of the Interior's national security efforts to protect employees and visitors, and other facilities. [p. 119.]

There are several refuges along U.S. coasts. One Refuge—Cabeza Prieta—is bounded by the Mexican border, and several are near the Canadian border. It is not clear what portion of the NWRS request is to be spent on increased security in these border areas or in general. The President proposed \$49.9 million for Law Enforcement (up \$1.5 million over FY2002), plus \$2.0 million for infrastructure improvement. The FY2003 appropriations law provides \$51.9 million, with no set-aside for infrastructure.

Wildlife Refuge Fund

The National Wildlife Refuge Fund (also called the Refuge Revenue Sharing Fund) compensates counties for the presence of the non-taxable federal lands of the NWRS. A portion of the Fund is supported by the permanent appropriation of receipts from various activities carried out on the NWRS. However, these receipts are not sufficient for full funding of authorized amounts. Congress generally makes up some of the difference in annual appropriations. The Administration requested \$14.4 million for FY2003, identical to the FY2002 level; this amount also was approved in the FY2003 appropriations law. When combined with the receipts, the appropriation will cover 55% of the authorized full payment.

Land Acquisition

For FY2003, the Administration proposed \$70.4 million, a 29.0% decrease from the FY2002 level of \$99.1 million. The FY2003 appropriations law provided \$73.4 million. For FY2003, 76.1% of the total is allocated to specified refuges. The remainder is for acquisition management, land exchanges, emergency acquisitions, etc. (For more information, see the “Land Acquisition” section below.)

Multinational Species Conservation Fund (MSCF)

The MSCF has generated considerable constituent interest despite the small size of the program. It benefits Asian and African elephants, tigers, the six species of rhinoceroses, and great apes. The President’s budget proposed to move the funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. For FY2003, the President proposed \$5.0 million for the MSCF. Older portions of the MSCF would receive level funding while the NMBCF portion would be reduced 67%—from \$3.0 million in FY2002 to \$1.0 million in FY2003. See **Table 6**. Congress rejected the proposed transfer for FY2003, and appropriated \$3.0 million for the Migratory Bird program. It also increased funding over the President’s request for all four subprograms as well as for the Neotropical Migratory Bird program.

Table 6. Funding for Multinational Species Conservation Fund and Migratory Bird Fund, FY2002-2003

(\$ in thousands)

Multinational Species Conservation Fund	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
African elephant	\$1,000	\$1,000	\$1,000	\$1,200	1,200
Tiger and Rhinos	1,000	1,000	1,200	1,200	1,200
Asian elephant	1,000	1,000	1,000	1,200	1,200
Great Apes	1,000	1,000	1,000	1,200	1,200
Neotropical Migratory Birds ^a	[3,000]	1,000	[2,000]	[5,000]	[3000]
Total	4,000	5,000	4,200	4,800	4,800

- a. This program was first authorized in FY2002, and is not part of the MSCF, though the transfer was proposed in the President’s budget for FY2003. For this reason, the FY2003 request of \$1 million is included in the FY2003 column total only for the Request column.

For further information on the *Fish and Wildlife Service*, see its World Wide Web site at <http://www.fws.gov/>.

CRS Report RL31278. *Arctic National Wildlife Refuge: Background and Issues*. M. Lynne Corn, coordinator.

CRS Issue Brief IB10111. *Arctic National Wildlife Refuge: Controversies for the 108th Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn.

National Park Service

The National Park Service (NPS) has stewardship responsibilities for a park system currently comprising 388 separate and diverse units covering 84 million acres. In addition to the national park designation, the park system has more than 20 other types of designations used to classify park sites. The NPS protects, interprets, and administers the park system's diversity of natural and historic areas representing the cultural identity of the American people. The NPS also provides limited, temporary funding support and technical assistance to 23 national heritage areas outside of the park system. An estimated 276 million people visited park units in 2002.

The FY2003 appropriations law provides \$2.25 billion for the NPS, a decrease of \$134.8 million (5.7%) from FY2002. The Administration had requested a total of \$2.36 billion for the NPS for FY2003, a \$24.5 million decrease from the FY2002 level (\$2.38 billion). See **Table 7**. The President pledged to eliminate the NPS multi-billion dollar maintenance backlog over the next few years, improve security at NPS sites in response to terrorist attacks on the United States, and get more non-government, partnership groups involved in park support. The Senate approved \$2.29 billion for the National Park Service, while the House approved \$2.40 billion.

Operation of the National Park System

The park operations line item accounts for roughly two-thirds of the total NPS budget. It covers resource protection, visitors' services, facility operations, facility maintenance, and park support programs. The FY2003 appropriations law provides \$1.57 billion, or \$78.5 million above the FY2002 level of \$1.49 billion. The Administration had requested \$1.58 billion.

An environmental coalition comprised of some 27 Members of Congress and park support and environmental groups—Americans for National Parks—sought a \$280 million increase in the NPS operating budget to fund science, resource protection, and education programs, in addition to repair and enhancement of park infrastructure, an Administration priority.⁹ On October 16, 2002, the Senate agreed to a Sense of the Senate amendment to the Interior appropriations bill (H.R. 5093) that Congress should continue efforts to increase funding for operations of the National Park Service and seek to eliminate the deferred maintenance backlog by FY2007. However, that bill was not enacted into law.

The President's request included funds for a proposed Cooperative Conservation Initiative (CCI) which would provide matching funds for park projects, and some other DOI agency projects, undertaken by nonprofit and private entities. The Senate rejected the idea of the proposed CCI;

⁹ Ron Tipton, *Interior's Parks Budget Inches Forward, Falls Short of Need*, National Parks Conservation Association, Press Release, Feb. 4, 2002, http://www.eparks.org/media_center/PressReleaseDetail.asp?id=83.

the Senate Committee on Appropriations asserted that the establishment of another grant program could not be justified when many existing needs are not being met. The House did not specify funding for the CCI as proposed, but supported the concept of conservation partnerships. Congress did not fund this Initiative. However, the FY2003 appropriations law retained \$5 million for the NPS Challenge Cost Share Program in support of the CCI.

Table 7. Appropriations for NPS, FY2002-FY2003

(\$ in millions)

National Park Service	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Operation of the National Park System	\$1,487.1	\$1,584.6	\$1,571.0	\$1,605.6	\$1,565.6
U.S. Park Police	90.6	78.4	78.4	78.4	78.4
National Recreation and Preservation	66.2	46.8	63.0	56.3	61.7
Urban Park and Recreation Fund	30.0	0.3	10.0	30.0	0.3
Historic Preservation Fund	74.5	67.0	67.0	76.5	69.0
Construction	387.7	322.4	322.8	325.2	327.8
Land and Water Conservation Fund ^a	-30.0	-30.0	-30.0	-30.0	-30.0
<i>Land Acquisition and State Assistance</i>					
Assistance to States	144.0	200.0	115.0	154.0	98.0
NPS Acquisition	130.1	86.1	89.0	99.1	74.5
<i>Total</i>	274.1	286.1	204.0	253.1	172.5
Total Appropriations	2,380	2,356	2,286	2,395	2,245

a. Figures reflect a rescission of contract authority.

Construction and Maintenance

The construction line item funds the construction, rehabilitation, and replacement of park facilities. For this line item, for FY2003 the Administration requested \$322.4 million, a decrease of \$65.3 million from the FY2002 level (\$387.7 million). Funds for the construction line item historically have tended to be substantially increased during the appropriations process. The FY2003 appropriations law provides \$327.8 million, \$5.4 million above the President's request, but \$59.8 million below the FY2002 appropriation. The Administration requested an additional \$529.4 million for facility operation and maintenance, an activity funded within the Operation of the National Park System Line Item. The FY2003 law provides \$522.8 million for facility operation and maintenance. Combined, the Administration requested \$851.8 million for construction and facility operation and maintenance, a decrease of \$15.1 million from FY2002 (\$866.9). Excluding the request for facility operation, the Administration sought some \$663 million for FY2003 for construction and facility maintenance, including annual and deferred

maintenance.¹⁰ Combined, the FY2003 law provided \$850.7 million, \$16.2 million below FY2002 appropriations.

The estimated range of deferred maintenance for the NPS is \$4.1 billion to \$6.8 billion according to the DOI Budget Office. In his FY2002 budget, President Bush proposed to fulfill his campaign promise to eliminate NPS deferred maintenance within five years through a combination of new appropriations, transportation fund money, and revenues from recreation fees. While the FY2003 budget contained a statement renewing this commitment, park and environmental groups have criticized as low the amount of new money committed to eliminating the backlog.

United States Park Police (USPP)

This line item supports the programs of the U.S. Park Police who operate primarily in urban park areas. The USPP also provides investigative, forensic, and other services to support law enforcement trained rangers working in park units system-wide. The FY2003 appropriations law provided \$78.4 million, the full amount of the Administration's request. This is an increase of \$13.1 million over the initial FY2002 appropriation (\$65.3 million) but a decrease of \$12.1 million from the total FY2002 appropriation (\$90.6 million). After the regular FY2002 appropriation, the NPS received \$25.3 million in emergency appropriations for increased security following the September 11, 2001, terrorist attacks. The Administration's FY2003 budget had emphasized anti-terrorism protection at national icon sites in Washington, D.C., New York, Philadelphia, and other locations.

National Recreation and Preservation

This line item funds park recreation and resource protection programs, as well as programs connected with local community efforts to preserve natural and cultural resources. The FY2003 request of \$46.8 million was \$19.3 million less than FY2002 funding (\$66.2 million). The primary decreases were a \$5.5 million reduction for the heritage partnerships program and a \$12.9 reduction to the statutory and contractual aid program. The FY2003 appropriations law provided \$61.7 million, 4.5 million less than FY2002 but \$14.9 million above the budget request, that mostly restores funding for the heritage partnership program and statutory and contractual aid.

Urban Park and Recreation Recovery (UPARR)

Citing the need to support "higher priorities," in FY2003 the Administration did not request funds for the UPARR program except for \$300,000 for the administration of previously awarded grants. This locally popular matching grant program was designed to help low income inner city neighborhoods rehabilitate recreational facilities. Although the President did not request funds for UPARR in FY2002, last year Congress restored funding at \$30.0 million, the same as provided in FY2001. In the FY2003 law, Congress provided \$300,000 for program administrative expenses but did not provide funding for new grants.

Land Acquisition and State Assistance

The FY2003 appropriations law provided \$172.5 million for NPS Land Acquisition and State Assistance, consisting of \$74.5 million for NPS federal land acquisition and \$98.0 million for

¹⁰ This figure is derived by summing the entire FY2003 construction request (\$322.4 million), and the facility maintenance portion only of the facility operation and maintenance activity (\$340.7 million). The FY2003 appropriations law did not breakout facility operation and maintenance separately.

state land acquisition assistance. This constitutes a substantial reduction from the President's FY2003 request—\$286.1 million—and the FY2002 appropriation—\$274.1 million. The federal program provides funds to acquire lands, or interests in lands, for inclusion within the National Park System, while the state assistance program is a park land acquisition program for states.

The Administration had sought \$86.1 million for the NPS federal land acquisition program, a decrease of \$44.1 million from the FY2002 appropriation (\$130.1 million). The Administration's request for Land and Water Conservation Fund (LWCF) state assistance was \$200 million, including \$50 million for grants under its proposed Cooperative Conservation Initiative and \$150 million for the traditional LWCF state grants program (compared with \$144 million for FY2002). State-side funds were to continue to be awarded through a formula allocation.

Recreational Fee Demonstration Program (Fee Demo)

Under this program, the four major federal land management agencies retain and spend receipts from entrance and user fees. The receipts are available without further appropriation for projects at the collecting sites, with a portion distributed to other agency sites. The NPS estimates Fee Demo receipts of \$149.0 million for FY2003, and the FY2003 budget states that at least half of the receipts will be used for deferred maintenance. Fee Demo was begun in FY1996 and extended in appropriations laws, most recently through FY2004. The Administration's FY2003 budget stated an intent to propose legislation to make the program permanent and remove it from the appropriations process, and the agencies have collaborated on developing a permanent program. Several 107th Congress bills proposed differing forms of fee program permanence but none were enacted. While there have been few objections to new and higher fees for the National Park System, many citizens have objected to paying fees for previously free or low cost recreation in national forests.

Everglades Restoration

Restoring the Everglades, an initiative with multiple components, is in its early stages. One of the components, the Modified Water Delivery Project, has been controversial and drawn congressional attention. The Modified Water Delivery Project seeks to improve water deliveries to Everglades National Park (ENP) and, to the extent possible, restore the natural hydrological conditions within ENP. To complete this project as planned, a portion of land within the 8.5 SMA would have to be acquired to be used for flood protection for the rest of the area.¹¹ Herein lies the controversy. Some of the owners are unwilling to sell their land and have pursued legal action to prevent the acquisition of their land.¹² The Corps asserts that if necessary, it has the authority to acquire land from unwilling sellers through its condemnation authority.¹³

The FY2003 law appropriating funds for the Department of the Interior contains a provision authorizing the U.S. Army Corps of Engineers (Corps) to implement a flood protection plan (Alternative 6D) for the "8.5 Square Mile Area" (8.5 SMA) as part of the Modified Waters

¹¹ The Corps was authorized to pay the full cost of acquiring land or an interest in land.

¹² The Corps reports that 77 households need to be acquired for Alternative 6D to be implemented. Owners of 67 of the 77 households are reported to be willing sellers http://www.usace.army.mil/inet/functions/cw/hot_topics/impact_of_imp.htm, accessed February 21, 2003.

¹³ The Corps asserts its power for condemnation is authorized under 40 U.S.C. 257 and 33 U.S.C. 591. This authority is extended to practices of flood control under 33 U.S.C. 701 according to the Corps. Personal communication with Barry Vorse, U.S. Army Corps of Engineers, on September 17, 2002.

Delivery Project (Division F, Title I, §157 of P.L. 108-7).¹⁴ The authorization to implement Alternative 6D, including the acquisition of necessary lands by the Corps, has three conditions. First, the Corps may acquire residential property needed to carry out Alternative 6D only if the owners are first offered comparable property in the 8.5 SMA that will be provided with flood protection. Second, the Corps is authorized to acquire land from willing sellers in the flood protected portion of the 8.5 SMA to carry out the first condition and to provide financial assistance to carry out the acquisitions. Third, the Corps and the non-federal sponsor (generally the South Florida Water Management District) may carry out these provisions with funds provided under the Everglades National Park Protection and Expansion Act of 1989 (16 U.S.C. 410r-8) and funds provided by the DOI for land acquisition for restoring the Everglades.¹⁵

As stated, if this land is not acquired by the Corps, the Modified Water Delivery Project, as well as portions of the Comprehensive Everglades Restoration Plan (CERP), cannot be implemented as planned. Legislation authorizing CERP provides that the Modified Water Delivery Project must be completed before several CERP projects involving water flows on the east side of ENP can receive appropriations (§601(b)(2)(D)(iv) of Title IV, P.L. 106-541).

Authorization to implement the Alternative 6D Plan has been controversial in Congress. A provision authorizing the implementation of Alternative 6D was stricken from the House version of the FY2003 Interior appropriations bill (H.R. 5093) when points of order were raised against it on July 16, 2002. In contrast to the House, on January 23, 2003, the Senate passed an omnibus appropriations bill that included an amendment authorizing the Corps to implement its flood protection plan, under Alternative 6D, for the 8.5 SMA.

For more information on the Modified Water Delivery Project, see CRS Report RS21331, *Everglades Restoration: Modified Water Delivery Project*.

For information on funding for Everglades restoration, see “Everglades Restoration” under cross-cutting issues.

For further information on the *National Park Service*, see its World Wide Web site at <http://www.nps.gov/>.

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent and David Whiteman, coordinators.

Historic Preservation

The Historic Preservation fund (HPF), administered by the NPS, provides grants-in-aid to states (primarily through State Historic Preservation Offices (SHPOs), certified local governments, and territories and the Federated States of Micronesia for activities specified in the National Historic Preservation Act. These activities include protection of cultural resources and restoration of historic districts, sites, buildings, and objects significant in American history and culture.

¹⁴The Modified Water Delivery Project was authorized in P.L. 101-229.

¹⁵ The conference managers expressed that if the Corps must take the property of residents in the 8.5 SMA, the Corps must offer residents who choose to relocate, land of greater or equal size with land use regulations and permits suitable for the same use as their original land. The Corps is also authorized to acquire additional residential property (presumably outside of the 8.5 SMA) only if residents are offered the opportunity to relocate to comparable land within the 8.5 SMA. The conferees further state that financial assistance should be given to residents to build homes of equal size (as their original) as well as compensate for moving and temporary living arrangements. They state that the Corps is not required to complete relocations before making land acquisitions. According to the conference report, land acquisitions and relocations will be made according to a schedule determined by the Corps and the non-federal sponsor. See U.S. House of Representatives, *Making Further Continuing Appropriations for Fiscal Year 2003, and for Other Purposes*, H.Rept. 108-10, 108th Cong., 1st sess. (Washington, GPO: 2003), p. 994 -995.

Preservation grants are normally funded on a 60% federal- 40% state matching share basis. In addition, the Historic Preservation Fund provides funding for cultural heritage projects for Indian tribes, Alaska Natives, and Native Hawaiians. Programs of the Historic Preservation Fund were reauthorized through FY2005 by The National Historic Preservation Act (NHPA) Amendments of 2000, P.L. 106-208.

The FY2003 Bush Administration's budget would have provided \$67.0 million in funding for the Historic Preservation Fund, the same as the Senate-passed level. It recommended funding the grants-in-aid to states and territories at \$34.0 million. The final FY2003 enacted appropriation (\$69.0 million) is an increase of \$2.0 million from the FY2003 Administration budget and the Senate-passed figure. However, it is a decrease of \$5.5 million from the FY2002 appropriation (\$74.5 million), and \$7.5 million from the House-passed level (\$76.5 million), including a decrease of \$6 million in the grants-in-aid program to states and territories. See **Table 8**.

Now funded in tandem with the Historic Preservation Fund is former President Clinton's Millennium initiative, Save America's Treasures. Save America's Treasures grants are given to preserve "nationally significant intellectual and cultural artifacts and historic structures" including monuments, historic sites, artifacts, collections, artwork, documents, manuscripts, photographs, maps, journals, film and sound recordings. The appropriation for Save America's Treasures has been used, for example, for restoration of the Star Spangled Banner; properties throughout the U.S., including the Rosa Parks Museum in Alabama and the Mark Twain House in Connecticut; repair and restoration of the Sewall-Belmont House; the National Women's Party headquarters; and the Declaration of Independence and the U.S. Constitution located in the National Archives. Although the program was funded in FY2001 (\$34.9 million) and FY2002 (\$30.0 million), it was criticized for not reflecting geographic diversity. As a result, the FY2001 Interior appropriations law (P.L. 106-291) required that any project recommendations would be subject to formal approval by the House and Senate Committees on Appropriations prior to distribution of funds. Projects require a 50% cost share, and no single project can receive more than one grant from this program. The FY2003 enacted appropriations level for Save America's Treasures is \$30.0 million.

In the past, the HPF has included the preservation and restoration of historic buildings and structures on Historically Black Colleges and Universities (HBCU) campuses. Funds in Section 507 of P.L. 104-333 (the Omnibus Parks and Public Lands Management Act of 1996) were earmarked for preservation projects for specific colleges and universities. Grants were awarded to complete repairs on HBCU buildings, particularly those listed in the National Register of Historic Places that required immediate repairs. An appropriation in FY2001 of \$7.2 million represented the unused authorization remaining from P.L. 104-333. There was no funding for HBCU's under HPF for FY2002, and it was eliminated from the FY2003 Bush Administration budget because technically the authorized funding has been expended.

There is no longer permanent federal funding for the National Trust for Historic Preservation, previously funded as part of the Historic Preservation Fund Account. The National Trust was chartered by Congress in 1949 to "protect and preserve" historic American sites significant to our cultural heritage. It is a private non-profit corporation. The National Trust has generally not received any direct federal funding on a regular basis since FY1998, in keeping with Congress' plan to replace federal funds with private funding and to make the Trust self-supporting. However, a one-time appropriation in FY2002 was provided to the National Trust for the endangered properties endowment. The National Trust still maintains several financial assistance programs including the Preservation Services Fund, a program of matching grants to initiate preservation projects, and the National Preservation Loan Fund, providing below-market-rate loans to nonprofit organizations and public agencies to preserve properties listed in the National

Register of Historic places, particularly those on the “Most Endangered Historic Places” list. In FY2002, \$2.5 million was appropriated to the endowment for the National Trust Historic Sites Fund, to be matched dollar for dollar with non-federal funds, for the care and maintenance of the most endangered historic places. The FY2003 budget recommended eliminating that one-time grant for the National Trust. The House-passed appropriation for FY2003 included \$2.5 million for the Historic Sites Fund endowment and the FY2003 final appropriation provides funding for the endowment at \$2.0 million.

Table 8. Appropriations for the Historic Preservation Fund (FY2002-FY2003)

(\$ in thousands)

Historic Preservation	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Grants in aid to State Historic Preservation Offices ^a	\$39,000	\$34,000	\$34,000	\$40,000	\$34,000
Tribal grants	3,000	3,000	3,000	4,000	3,000
Save America's Treasures	30,000	30,000	30,000	30,000	30,000
HBCU's	—	—	—	—	—
National Historic Trust Endowment grant/Historic Sites Fund	2,500	—	—	2,500	2,000
Massillon Heritage Foundation	—	—	—	—	—
HPF (total)	74,500	67,000	67,000	76,500	69,000

a. The term “grants in aid to States and Territories” is used in conjunction with the budget and refers to the same program as Grants in aid to State Historic Preservation Offices.

For further information on *Historic Preservation*, see its World Wide Web site at <http://www2.cr.nps.gov/>.

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

U.S. Geological Survey

The U.S. Geological Survey (USGS) is the nation's primary science agency in providing earth and biological science information related to natural hazards; certain aspects of the environment; and energy, mineral, water, and biological sciences. In addition it is the federal government's principal civilian mapping agency and a primary source of data on the quality of the nation's water resources.

The traditional presentation of the budget for the USGS is in the line item *Surveys, Investigations, and Research*, with six activities falling under that heading: National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources and Investigations; Biological Research; Science Support; and Facilities. For FY2003, the USGS will receive \$925.3 million, which is \$11.3 million over the FY2002 enacted level, and \$58.0 million over the FY2003 request from the Administration. The FY2003 enacted level was 3.1 million below the level passed by the House (\$928.4 million) and \$10.7 million above the Senate approved level of \$914.6 million. No funds were provided in the conservation spending category, whereas \$25 million was attributed to conservation spending in FY2002.

National Mapping Program

The FY2003 appropriations law provided \$134.1 million for the National Mapping Program and related activities. This is \$4.8 million above the request by the Administration (\$129.3 million) and \$0.8 million above FY2002. The FY2003 appropriation included \$81.6 million for Cooperative Topographic Mapping, \$35.9 million for land remote sensing activities, and \$16.5 million for geographic analysis and monitoring. The committee expressed interest in the continuing efforts to develop and implement the National Map for urban areas in this country. The National Map is expected to be a compilation of digital and topographic maps that cover the entire country. This map is expected to provide up to date information that will assist private, local, state and federal responses to emergencies.

The House had approved \$135.1 million for the National Mapping Program in FY2003—\$5.8 million above the request and \$1.8 million above FY2002. In report language, the House Appropriations Committee also emphasized the importance of completing and implementing the National Map. The Senate passed \$131.1 million for this program, \$1.8 million above the request but \$2.2 million below FY2002.

Geologic Hazards, Resources, and Processes

For the Geologic Hazards, Resources, and Processes activity, FY2003 enacted funding is \$234.7 million, \$10.0 million above the Administration's request and \$1.9 million above FY2002 funding levels. The Administration had proposed decreases totaling \$13.7 million, which covered no fewer than twelve line item programs across the three budget subactivities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments. Contrary to the Administration's request, funding for FY2003 was increased slightly for each of these programs (compared to FY2002 levels). Hazards Assessments, Landscape and Coastal Assessments, and Resource Assessments received \$75.4 million, \$79.2 million, and \$80.0 million, respectively for FY2003. Funding for some programs were maintained and others received increases in funding for FY2003. For example, funding for volcanic equipment in Shemya, Alaska was restored to FY2002 levels, as well as funding for a coastal erosion study in North Carolina. There was an increase of funding (\$1.5 million above FY2002) for the coastal program, including over \$4 million dedicated to research efforts in the Gulf of Mexico. A recommendation for a transfer of \$4.0 million from the NPS to the USGS to support a Critical Ecosystems Initiative in the Everglades, made by the Senate Committee on Appropriations, was not enacted.

For FY2003 appropriations, the House had approved \$234.7 million—\$10.1 million over the request and \$1.9 million more than FY2002. Increases above FY2002 funding were given to the National Coastal Program, research examining the impact of global dust events affecting the continental United States, oil and gas resource assessments, and geothermal resource assessments. The Senate had approved \$234.9 million for this program, \$10.2 million above the request and \$2.1 million over FY2002. The Senate Committee on Appropriations had not agreed with many of the program reductions assumed in the budget request and restored a number of them. (For details, see Congressional Record, January 15, 2003, S574).

Water Resources and Investigations

The FY2003 enacted level for the Water Resources and Investigations activity was \$208.5 million, \$30.7 million above the Administration's request (\$177.8 million) and \$2.7 million above FY2002 (\$205.8 million). The Administration had sought to discontinue USGS financial support for the Toxic Substances Hydrology Program and to reduce funding for the National Water Quality Assessment Program (NAWQA). Funding for these programs, however, were

increased above the President's request, including \$63.6 million for NAWQA and \$13.5 million for the Toxic Substances Hydrology Program. As with the FY2002 budget request, the FY2003 request sought to discontinue USGS support for Water Resources Research Institutes based on the finding that most institutes have been very successful in leveraging funding for program activities from non-USGS sources. For FY2003, funding for Water Resources Research Institutes was kept at the FY2002 level of \$6.0 million. The National Stream Flow Information program retained its FY2002 funding level of \$14.3 million, and funding for Hydrologic Research and Development increased to \$15.5 million for FY2003. Included in FY2003 Appropriations are \$1 million for the Long-term Estuary Assistance Program and an increase of \$0.5 million for the Interstate Commission for the Potomac River Basin to conduct basin-wide groundwater assessment.

The conferees did not include funds for the Rathdrum Prairie/Spokane Valley aquifer study as proposed by the Senate. In the joint explanatory statement, the conferees explained that it was supportive of the project, yet believed that required agreements and funds were not secured. Further, the conferees stated a willingness to consider the project next year.

The House had approved \$209.7 million for FY2003 for Water Resources and Investigations—an increase of \$31.8 million over the request and \$3.8 million more than FY2002. The Senate had passed \$206.6 million for water resources investigations—\$28.8 million over the request and \$0.8 million above FY2002. The Senate Committee on Appropriations had not concurred with the Administration's proposed reductions and restored funding for the National Water Quality Assessment Program, Toxic Substances Hydrology Program, National Streamflow Information Program, and Water Resources Research Institutes.

Biological Research

For FY2003, Biological Research activities received \$170.9 million, \$10.4 million above the Administration's request of \$160.5 million and \$4.5 million above FY2002 (\$166.4 million). For Biological Research and Monitoring, \$133.0 million was provided for FY2003, including \$2.7 million for chronic wasting disease research. For biological information management and delivery, \$22.9 million was appropriated for FY2003. The conference managers expressed their concerns about the National Biological Information Infrastructure program (NBII), specifically for "an apparent lack of direction and budget accountability" (Congressional Record, February 12, 2003, H1061). The NBII is a program designed to provide increased access to data and information on the nation's biological resources. The conference managers directed the USGS to create a plan that would prioritize a vision for the NBII, addressing national and international activities of NBII, and how the program relates to the USGS's programmatic and strategic goals for data sharing. Further, the managers requested a list of accomplishments for each "node" of the NBII and an explanation of how these accomplishments support USGS Science Centers and DOI land management agencies. The conference managers expect pertinent committees to receive this plan by April 30, 2003.

For FY2003, the House had approved \$170.4 million for Biological Research—\$9.9 million more than the request and \$4.0 million over FY2002. The Senate had approved \$166.9 million, \$6.4 million above the request and \$0.5 million over FY2002. The Senate Committee on Appropriations had not agreed with many of the proposed reductions, restoring funding for several activities.

Science Support Funding

Science Support focuses on those costs associated with modernizing the infrastructure for management and dissemination of scientific information. For FY2003, \$85.7 million was

appropriated for Science Support, \$0.4 million below the Administration's request and \$0.5 million below the FY2002 level. A decrease of \$1.6 million from the House enacted level for accessible data transfer was enacted. The House had approved \$87.4 million for Science Support—\$1.3 million above the request and \$1.1 million more than FY2002. The Senate had agreed to \$85.7 million, \$0.4 million below the request and \$0.5 million less than FY2002.

Facilities Funding

Facilities focuses on the costs for maintenance and repair of facilities. The FY2003 appropriation for Facilities is \$91.4 million, \$2.4 million above the Administration's request of \$89.0 million and \$1.9 million above FY2002 levels (\$89.4 million). This includes a decrease of \$1.3 million for the Leetown Research Center expansion from FY2002 and an increase of \$0.8 million for the Tunison Laboratory. The House had approved \$91.2 million for Facilities—\$2.2 million over the request and \$1.7 million above FY2002. The Senate had passed \$89.4 million for facilities. The conference managers expressed their strong support for USGS partnerships with institutions that emphasize collaboration, federal-state partnerships, and public-private partnerships.

Table 9. Appropriations for the U.S. Geological Survey, FY2002-FY2003

(\$ in millions)

U.S. Geological Survey	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
National Mapping Program	\$133.3	\$129.3	\$131.1	\$135.1	\$134.1
Geologic Hazards, Resources, and Processes	232.8	224.7	234.9	234.7	234.7
Water Resources Investigations	205.8	177.8	206.6	209.7	208.5
Biological Research	166.4	160.5	166.9	170.4	170.9
Science Support	86.3	86.1	85.7	87.4	85.7
Facilities	89.4	88.9	89.4	91.2	91.4
Total Appropriations	914.0	867.3	914.6	928.4	925.3

For further information on the *U.S. Geological Survey*, see its World Wide Web site at <http://www.usgs.gov/>.

Minerals Management Service

The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (OMM) Program and the Minerals Revenue Management (MRM) Program, formerly known as the Royalty Management Program. OMM administers competitive leasing on outer continental shelf lands and oversees production of offshore oil, gas and other minerals. MRM collects and disburses bonuses, rents, and royalties paid on federal onshore and Outer Continental Shelf (OCS) leases and Indian mineral leases. MMS anticipates collecting about \$4.2 billion in revenues in FY2003 from offshore and onshore federal leases. Revenues from onshore leases are distributed to states in which they were collected, the General Fund of the U.S. Treasury, and various designated programs. Revenues from the offshore leases are allocated among the coastal states, Land and Water Conservation Fund, the Historic Preservation Fund, and the U.S. Treasury.

The FY2003 appropriations law provided \$271.7 million for MMS, less \$100.2 million in receipts, for a total appropriation of \$171.4 million. The FY2003 total included \$6.1 million for oil spill research. It also included \$265.5 million for Royalty and Offshore Minerals Management, comprised of \$165.3 million from appropriations and \$100.2 from offsetting collections.

The Administration's proposed budget for MMS for FY2003 was \$270.6 million. This proposal included \$6.1 million for oil spill research, and \$264.4 million for Royalty and Offshore Minerals Management (including \$137.5 million for OMM activities and \$83.3 million for MRM programs). Of the total budget, \$170.3 million would derive from appropriations, and \$100.2 million from offsetting collections which MMS has been retaining from OCS receipts since 1994. The FY2003 total is about 4% higher than the \$259.5 million total budget for FY2002 (which includes \$102.7 million in receipts). Offsetting collections would decline by \$2.5 million from FY2002 to FY2003. The Senate supported a total of \$270.7 million for MMS, including \$137.6 million for OMM and \$83.3 million for MRM programs (with \$100.2 million from offsetting collections). The House approved \$271.1 million for MMS, including \$138.0 million for OMM and \$83.3 million for MRM, and would spend \$100.2 million from offsetting collections.

The MMS revised its mineral leasing revenue estimates downward by 40% in FY2003 from the FY2002 estimates. For instance, in the FY2002 budget request, mineral leasing revenues were estimated to be \$7.9 billion in FY2002 and \$7.3 billion in FY2003. Current revenue estimates for these years are \$5.1 billion and \$4.2 billion respectively. Price fluctuation is the most significant factor in the revenue swings. Oil prices that were in the \$26-\$30 per barrel range came down dramatically to the \$20-\$22 per barrel range in 2001. Also, natural gas prices fell significantly during the past year in part because of the relatively mild winter. Over the past decade, royalties from natural gas production have accounted for between 40%-45% of MMS receipts, while oil accounts for not more than 25%. Below is a discussion of related issues of interest to Congress that have been considered within the context of the appropriations process.

The Outer Continental Shelf Lands Act of 1953 (OCSLA, 43 U.S.C. 1331) requires the Secretary of the Interior to submit a 5-year leasing program that specifies the time, location and size of lease sales to be held during that period. The new 5-year leasing program (2002 -2007) went into effect July 1, 2002. MMS will conduct 20 oil and natural gas lease sales during the five year period. Half of those sales will be in the Western or Central Gulf of Mexico (GOM), two in the Eastern GOM and the remainder around Alaska. Sales in the Eastern GOM are especially controversial. Industry groups contend that the sales are too limited given what they say is an enormous resource potential while environmental groups and some state officials argue that the risks to the ecology and the economy are too great. The FY2003 appropriations law continues the moratorium in the Eastern Gulf of Mexico outside Lease Sale 181.

A controversial oil and gas development issue in offshore California involving MMS drew congressional interest. A breach-of-contract lawsuit was filed by nine oil companies seeking \$1.2 billion in compensation for their undeveloped leases. The companies claim that MMS failed to conduct consistency determinations required by the court. A federal statute, the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) was amended in 1990 to allow for consistency determinations. Using this Act, the state of California could determine whether development of oil and gas leases are consistent with the state's coastal zone management plan. In 1999, the MMS extended 36 out of the 40 leases at issue by granting lease suspensions. However, in June 2001 the Ninth Circuit Court struck down the MMS suspensions arguing that MMS failed to show consistency with the state's coastal zone management plan. The Bush Administration appealed this decision January 11, 2002, in the Ninth Circuit and proposed a more limited lease development plan that involves 20 leases using existing platforms. The Court however upheld its decision favoring California. The Administration appealed the decision to the U.S. Court of

Appeals in San Francisco. On December 2, 2002, a three-judge panel upheld the earlier decision. The Department of the Interior has 90 days (early March 2003) to appeal this decision to the Supreme Court. The leases are in effect, pending the appeal.

The FY2003 appropriations law includes a (non-binding) Sense of the Congress provision barring Interior bill funding for any exploration and development of the 36 leases that were extended by the MMS. In earlier action, the House had approved legislative language to the Interior appropriations bill to prohibit funding in the bill from being used to develop these leases. The language sought a permanent prohibition on new drilling in the contested area. On September 10, 2002, the Senate agreed to a Sense of the Senate amendment to bar Interior bill funding for any exploration and development of the above mentioned 36 leases, but the bill was not passed by the Senate. A similar sense of the Senate amendment was approved by the Senate on January 23, 2003, and included in the Senate-passed omnibus appropriations bill.

Also, 107th Congress legislation (S. 1952) by Senators Boxer (D-CA) and Landrieu (D-LA) sought to compensate the companies for surrendering all undeveloped leases off California's coast with financial credits to acquire oil and gas leases in the Gulf of Mexico. The credits could be as much as \$3 billion.

In May 2002, the Administration announced its plans to buy back oil and gas leases from Chevron, Conoco and Murphy oil companies off Pensacola, Florida for \$115 million in an area known as Destin Dome. Included in the announcement were oil and gas lease buybacks in the Everglades National Park, Big Cypress National Preserve and the Ten Thousand Islands National Wildlife Refuge that would require approval by Congress.

For further information on the *Minerals Management Service*, see its World Wide Web site at <http://www.mms.gov/>.

Office of Surface Mining Reclamation and Enforcement

The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87) established the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that land mined for coal would be returned to a condition capable of supporting its pre-mining land use. SMCRA also established an Abandoned Mine Lands (AML) fund, with fees levied on coal production, to reclaim abandoned sites that pose serious health or safety hazards. Congress's intention was that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. OSM is required to maintain oversight of state regulatory programs. In some instances states have no approved program, and in these instances OSM directs reclamation in the state.

The Administration, Senate, and House all recommended a decrease in funds for OSM from the FY2002 level. The Administration's request for the Office of Surface Mining for FY2003—at \$279.4 million—reflected a drop of \$27.1 million from the FY2002 level of \$306.5 million. The House approved \$290.1 million, and the Senate passed \$297.1 million. The Senate-passed total was enacted in the FY2003 appropriations law.

The OSM budget has two components: Regulation and Technology programs and Abandoned Mine Lands (AML, or Abandoned Mine Reclamation Fund). For Regulation and Technology, the Administration sought \$105.4 million, an increase of roughly \$2.3 million from the FY2002 level (\$103.1 million). Included in the FY2003 request was \$10 million in funding for the Appalachian Clean Streams Initiative (ACSI), the same level as in FY2002, and \$1.5 million for the Small Operators Assistance Program (SOAP). For the AML Fund, the Administration sought \$174.0 million for FY2003, a reduction of \$29.4 million from the \$203.4 enacted for FY2002. Major

components of this reduction included a decrease of \$17 million for State and Tribal conventional AML grants, and a reduction of nearly \$11 million described as a “one time reduction to Federal emergency projects.”

For FY2003, Congress enacted \$105.4 million for Regulation and Technology. The House, Senate, and Administration had supported this level. For the AML, Congress enacted \$191.7 million for FY2003. In earlier action, the House had approved \$184.7 million for AML, \$10.7 million more than the Administration request, but a reduction still of \$18.7 million from the FY2002 enacted level for AML. The House Committee on Appropriations specifically rejected the Administration’s proposal to make any cuts in spending for Federal high priority projects. However, the Senate Committee recommended \$191.7 million for AML, more than restoring the \$17 million cut by the Administration for State and Tribal conventional AML grants. Specifically, the Senate Committee included \$17.5 million for these grants and \$210,000 for federal high priority reclamation projects. The Committee also agreed to the request of \$10 million for ACSI and \$1.5 million for SOAP. The omnibus appropriations legislation approved by the Senate on January 23, 2003, adopted the Committee’s recommendation, and these were the levels enacted in the FY2003 appropriations law.

Grants to the states from annual AML appropriations are based on states’ current and historic coal production. “Minimum program states” are states with significant AML problems, but with insufficient levels of current coal production to generate significant fees to the AML fund. The minimum funding level for each of these states was increased to \$2 million in 1992. However, over the objection of these states, Congress has appropriated \$1.5 million to minimum program states since FY1996. The FY2003 law also appropriates \$1.5 million to minimum program states.

In general, several states have been pressing in recent years for increases in the AML appropriations. The unappropriated balance of AML collections in the fund is expected to be roughly \$1.65 billion by the end of FY2003.

For further information on the *Office of Surface Mining Reclamation and Enforcement*, see its World Wide Web site at <http://www.osmre.gov/osm.htm>.

Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) provides a variety of services to federally recognized American Indian and Alaska Native tribes and their members, and historically has been the lead agency in federal dealings with tribes. Programs provided or funded through the BIA include government operations, courts, law enforcement, fire protection, social programs, education, roads, economic development, employment assistance, housing repair, dams, Indian rights protection, implementation of land and water settlements, management of trust assets (real estate and natural resources), and partial gaming oversight.

BIA’s FY2002 direct appropriations were \$2.22 billion (including supplemental appropriations but excluding a \$10.0 million rescission). For FY2003, the Administration proposed \$2.25 billion, an increase of 1% over FY2002. The Senate and House passed, and Congress enacted, approximately \$2.27 billion. The enacted amount is 1.2% over the FY2003 request and 2.7% over the FY2002 appropriation. **Table 10** below presents figures for FY2002 enacted and FY2003 Administration, Senate, House, and enacted appropriations for the BIA and its major budget components; selected BIA programs are shown in italics.

For trust management improvement (see discussions below), the Administration requested a total BIA-wide increase of \$34.8 million, spread across such programs as tribal courts, probate, real estate services and appraisals, social services, security, forestry, and executive oversight. The

Senate approved the full requested amount, but the FY2003 appropriations law reduced the BIA-wide increase to \$31.9 million.

For the BIA office handling petitions for federal recognition of tribes (the Branch of Acknowledgment and Research, or BAR), an activity criticized for lack of resources, the Administration proposed an additional \$0.05 million (5%) over FY2002. The Senate agreed with the Administration's request, while the House approved an additional \$0.55 million over FY2002, a 52% increase. Congress enacted the House level of \$1.6 million. See **Table 10**. Related to tribal recognition (and Indian gaming), a provision for a study commission on Native American policy, added by the House Appropriations Committee to the FY2003 Interior bill, was dropped by the full House. A proposed Senate floor amendment to the bill, to place a moratorium on BAR tribal recognition approvals or denials pending certain procedural changes, was tabled.

The Senate, in 108th Congress floor consideration of the FY2003 omnibus appropriations bill, added a new title that would enact a settlement of an Indian land claim by Sandia Pueblo of New Mexico involving Cibola National Forest. This title remained in the Consolidated Appropriations Resolution for FY2003 as enacted.

Table 10. Appropriations for the Bureau of Indian Affairs, FY2002-FY2003

(\$ in thousands)

	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.	FY2003 Approp. compared with:	
						FY2002 Approp.	FY2003 Request
Operation of Indian Programs	\$1,799,809	\$1,837,110	\$1,855,635	\$1,859,064	\$1,857,319	3%	1%
Tribal Priority Allocations	752,156	775,534	775,534	780,654	777,534	3%	<1%
<i>Contract Support Costs</i>	<i>130,209</i>	<i>133,209</i>	<i>133,209</i>	<i>133,209</i>	<i>133,209</i>	2%	–
Other Recurring Programs	586,968	596,192	595,642	607,196	601,635	2%	1%
<i>School Operations</i>	<i>504,015</i>	<i>522,816</i>	<i>510,916</i>	<i>524,817</i>	<i>515,916</i>	2%	(1%)
<i>Tribally-controlled colleges</i>	<i>41,118</i>	<i>39,118</i>	<i>43,118</i>	<i>41,118</i>	<i>43,118</i>	5%	10%
Non-Recurring Programs	72,798	67,510	72,360	70,824	72,960	<1%	8%
Central and Regional Office Operations	120,785	136,713	136,713	134,258	134,258	11%	(2%)
<i>Branch of Acknowledgment and Research</i>	<i>1,050</i>	<i>1,100</i>	<i>1,100</i>	<i>1,600</i>	<i>1,600</i>	52%	45%
Special Programs and Pooled Overhead	267,102	261,161	275,386	266,132	270,932	1%	4%
<i>Public Safety and Justice</i>	<i>160,652</i>	<i>161,368</i>	<i>166,543</i>	<i>161,368</i>	<i>163,568</i>	2%	1%
Construction	357,132	345,252	348,252	345,252	348,252	(2%)	1%
<i>Education construction</i>	<i>292,503</i>	<i>292,717</i>	<i>295,717</i>	<i>292,717</i>	<i>295,717</i>	1%	1%
Land and Water Claim Settlements and Misc. Payments	60,949	57,949	57,949	60,949	60,949	–	5%
Indian Guaranteed Loan Program	4,986	5,493	5,493	5,493	5,493	10%	–
Total BIA	2,222,876	2,245,804	2,267,329	2,270,758	2,272,013	2%	1%
Rescission (P.L. 107-206) in Operation of Indian Programs	(10,000)	–	–	–	–	–	–

	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.	FY2003 Approp. compared with:	
						FY2002 Approp.	FY2003 Request
<i>Total BIA After Rescission</i>	2,212,876	–	–	–	–	–	–

Key issues for the BIA include the proposed reorganization of the Bureau's trust asset management functions, the movement toward greater tribal influence on BIA programs and expenditures (especially the role of contract support costs), and problems in the BIA school system.

BIA Reorganization

Current BIA reorganization proposals arise from issues and events related to trust funds and assets management. Historically, the BIA has been responsible for managing Indian tribes' and individuals' trust funds and trust assets. Trust assets include trust lands and the lands' surface and subsurface economic resources (e.g., timber, grazing lands, or minerals); trust asset management includes real estate services, processing of transactions (sales, leases, etc.), surveys, appraisals, probate functions, land title records activities, and other functions. The BIA had, however, historically mismanaged Indian trust funds and trust assets, especially in the areas of record-keeping and accounting. This led to a legislative reform act in 1994 and an extensive court case in 1996. The 1994 act created the Office of Special Trustee for American Indians (OST) (see below), assigning it responsibility for oversight of trust management reform. Trust fund management was transferred to the OST in 1996, but the BIA still manages trust assets.

BIA and OST, together with several offices created by the Secretary of the Interior Norton (Office of Historical Trust Accounting and Office of Indian Trust Transition), are implementing the Secretary's current trust management improvement project. The project includes improvements in trust asset systems, policies, and procedures, historical accounting for trust accounts, reduction of backlogs, and maintenance of the improved system. The current project replaces an earlier High Level Implementation Plan (HLIP) created under the Clinton Administration. While a computerized trust fund accounting system, operated by OST, had been installed successfully under the HLIP in 2000, a new computerized trust asset management system drew much tribal, congressional, and court criticism. That criticism led the current Secretary to have a consultant, Electronic Data Systems, Inc. (EDS), review the trust asset system and the entire trust reform effort.

EDS's 2001 reports included a recommendation for a single executive controlling trust reform. In late 2001, citing this recommendation, the Secretary proposed to split off BIA's trust asset management responsibilities into a new Bureau of Indian Trust Asset Management (BITAM), and requested approval from both Appropriations Committees for a reprogramming of FY2002 funds to carry out the BITAM reorganization. The Committees did not approve the reprogramming request, instead directing the Secretary to consult with Indian tribes. The consultation process took place during much of 2002 through a joint tribal-DOI Trust Reform Task Force. The great majority of commenting tribes opposed the BITAM proposal and many tribes and tribal organizations offered alternative plans. The BIA's proposed FY2003 budget did not include the BITAM reorganization proposal (or a reprogramming request). The Senate Appropriations Committee's June 2002 report (S.Rept. 107-201) forbade the Secretary to implement the BITAM proposal or to use FY2003 funds for any action that would alter the BIA's tribal or individual trust authority. In the fall of 2002, the tribal members of the Trust Reform Task Force decided that they could not agree with the Department on trust standards and oversight. In December 2002 the head of the BIA announced a new proposed reorganization of BIA and OST trust management structures. Under the plan, the BIA's trust operations at regional and agency levels will be split off from other BIA services, and the OST will have trust officers at BIA regional and agency offices overseeing trust

management and providing information to the Indian trust beneficiaries. Tribes and tribal organizations were critical of the new proposal. In recent court filings, the Secretary states that the Interior Appropriations Subcommittees did not object to the necessary reprogramming and that the reorganization will proceed.

Tribal Control

Greater tribal control over federal Indian programs has been the goal of Indian policy since the 1970s. In the BIA this policy has taken three forms: tribal contracting to run individual BIA programs under Title I of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended); tribal compacting with the BIA to manage all or most of a tribe's BIA programs, under the Self-Governance program (Title IV of P.L. 93-638, as added by P.L. 103-413); and shifting programs into a portion of the BIA budget called Tribal Priority Allocations (TPA), in which tribes have more influence in BIA budget planning and within which each tribe has authority to reprogram all its TPA funds. In FY2002, TPA accounted for 42% of the BIA's operation of Indian programs (including most of the BIA funding for tribal governments' operations, human services, courts, natural resources, and community development) and for 34% of total BIA direct appropriations. **Table 10** shows the Administration, Senate, House, and enacted TPA figures for FY2003

Contract support costs, authorized under the Indian Self-determination Act, fund the non-operational and overhead costs incurred by tribes in administering programs under self-determination contracts and self-governance compacts, and are calculated using a negotiated tribal cost rate (a percentage of the funding base covered by a tribe's contracts or compact). Issues raised by contract support costs include the consistent shortfall in contract support cost appropriations, tribes' claim of entitlement to full support cost funding, identity of programs included in tribes' funding base, and rate-setting methods. The BIA estimates that appropriations for contract support costs met 88% of reported tribal need in FY2001 and 91% in FY2002 and will meet 92% of the need in FY2003. **Table 10** shows FY2003 contract support costs.

BIA School System

The BIA funds 185 elementary and secondary schools and peripheral dormitories, with over 2,000 structures, educating about 48,000 students in 23 states. Tribes and tribal organizations, under self-determination contracts and other grants, operate 121 of these institutions; the BIA operates the remainder. BIA schools' key problems are low student achievement and a high level of inadequate school facilities.

BIA students' academic achievement, as measured by standardized tests, is on average far below that of public school students. To improve BIA schools' academic performance, the Administration proposes a "School Privatization Initiative" under which BIA-operated schools will all either become tribally operated or be privatized by the end of FY2007. Some Indian tribes and organizations expressed doubt over this proposal, arguing that funding for tribally-operated schools is presently below need and that under the initiative tribes would be forced to choose between operating schools with inadequate resources or allowing them to be privatized. Both the Senate and House Committees opposed the proposed privatization initiative and removed its funding. No funding for the initiative was included in the FY2003 appropriations law.

Many BIA school facilities are old and dilapidated, with health and safety deficiencies. BIA education construction covers both construction of new school facilities to replace facilities that cannot be repaired, and improvement and repair of existing facilities. Schools are replaced or repaired according to priority lists. The BIA in 2001 estimated the backlog in education facility repairs at \$942 million. **Table 10** shows FY2002 education construction appropriations, as well as the FY2003 proposed amount and the Senate, House, and enacted amounts.

For further information on the *Bureau of Indian Affairs*, see its World Wide Web site at <http://www.doi.gov/bureau-indian-affairs.html>.

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

Departmental Offices

National Indian Gaming Commission

The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act of 1988 (P.L. 100-497) to oversee Indian tribal regulation of tribal bingo and other “Class II” operations, as well as aspects of “Class III” gaming (casinos, racing, etc.). The NIGC may receive federal appropriations but its budget authority consisted chiefly of annual fees assessed on tribes’ Class II operations. As Indian gaming expanded rapidly in the 1990s, Congress decided the NIGC needed a larger budget. The FY1998 Interior Appropriations Act, amending the Indian Gaming Regulatory Act, increased the ceiling for total NIGC fees to \$8 million, made Class III as well as Class II operations subject to fees, and increased NIGC’s appropriations authorization from \$1 million to \$2 million. However, the NIGC says it has recently experienced a new increase in demand for its oversight resources, especially audits and field investigations, primarily because of the rapid expansion of California Indian gaming (following the March 2000 state referendum authorizing California to negotiate more liberal Class III gaming compacts with tribes).

During FY1999-FY2002, all NIGC activities were funded from fees, with no direct appropriations. For FY2003, however, the Administration proposed appropriations of \$2 million for the NIGC, in addition to the Commission’s fee receipts of \$8 million. The House agreed to the proposed amount, but the Senate made no FY2003 appropriations. Congress did not enact NIGC appropriations in FY2003, but the appropriations law included a provision that increases the NIGC’s fee ceiling to \$12 million for FY2004. Also, the conference report directs the NIGC to consult with tribes about a new fee schedule.

Office of Special Trustee for American Indians

The Office of Special Trustee for American Indians, in the Secretary of the Interior’s office, was authorized by Title III of the American Indian Trust Fund Management Reform Act of 1994 (P.L. 103-412). The Office of Special Trustee (OST) generally oversees the reform of Interior Department management of Indian trust assets, the direct

management of Indian trust funds, establishment of an adequate trust fund management system, and support of department claims settlement activities related to the trust funds. Indian trust funds formerly were managed by the BIA, but numerous federal, tribal, and congressional reports had shown severely inadequate management, with probable losses to Indian tribal and individual beneficiaries. In 1996, at Congress' direction and as authorized by P.L. 103-412, the Secretary of the Interior transferred trust fund management from the BIA to the OST. (See "Bureau of Indian Affairs," above.)

FY2002 funding for the Office of Special Trustee was \$110.2 million, which included \$99.2 million for federal trust programs—trust systems improvements, settlement and litigation support, and trust funds management—and \$11.0 million for the Indian land consolidation pilot project. The purpose of the land consolidation project is to purchase and consolidate fractionated ownerships of allotted Indian trust lands, thereby reducing the costs of managing millions of acres broken up into tiny fractional interests.

The Administration proposed a FY2003 budget of \$159.0 million for the OST, an increase of 44% over FY2002. Included in the FY2003 request were \$151.0 million for federal trust programs (up \$51.8 million, or 52%) and \$8.0 million for the Indian land consolidation pilot project (down \$3 million, or 27%). The Senate approved an increase for the OST to \$162.0 million, 47% over FY2002. It included the same amount as the Administration for federal trust programs and an additional \$3 million for the Indian land consolidation project. The House approved \$149.3 million for FY2003, an increase of 35% over FY2002 and a decrease of 6% from the Administration's request. The House approved the requested amount for land consolidation (\$8.0 million) but cut the requested amount for trust programs by \$9.8 million, to \$141.3 million. For FY2003, Congress enacted the House figures.

Indian trust funds comprise two sets of funds: (1) tribal funds owned by about 290 tribes in approximately 1,400 accounts, with a total asset value of about \$3.1 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in over 252,000 accounts with a total asset value of about \$400 million. (Figures are from the OST FY2003 budget justifications.) The funds include monies received both from claims awards, land or water rights settlements, and other one-time payments, and from income from non-monetary trust assets (e.g., land, timber, minerals), as well as investment income.

The trust funds controversy also involves a class action lawsuit filed in 1996, in the federal district court for the District of Columbia, against the federal government by IIM account holders. The latest stage of the IIM lawsuit relates to an historical accounting for IIM funds, to determine the amount of money owed to the plaintiffs. The FY2001 Interior appropriations conference report, and the FY2002 House and conference reports, had directed DOI to develop a sampling methodology for IIM accounting, as DOI had intended to do, but required submission of the plan, with a cost-benefit analysis, to Congress prior to implementation. Both repeated the prohibition on allocating funds for an historical accounting before submission of the plan and report. The requested report was transmitted to the Committees in early July 2002 by the DOI's Office of Historical Trust Accounting. The plaintiffs in the lawsuit object to an historical accounting methodology and, using a different methodology based on federal and state leasing returns, have estimated that they are owed about \$137 billion. Recently the district court held the Secretary of the Interior and the Assistant Secretary–Indian Affairs in contempt for continuing problems in trust management reform (following a trial on the contempt

issues). While the court did not grant the plaintiffs' request that it appoint a receiver to take over reform of IIM accounts management, it did direct both defendants and plaintiffs to submit plans for future trust management and historical accounting by January 6, 2003. Both parties submitted plans on that date.

The House Appropriations Committee expressed its concern that the IIM lawsuit was jeopardizing DOI trust reform implementation, and added a number of provisions to the FY2003 Interior appropriations act. The provisions would limit the time period to be covered by the historical accounting, require a summary of a full historical accounting of 5 of the plaintiffs, cap the compensation of two court-appointed officials monitoring trust reform, direct that a new OST advisory board be appointed in accordance with the 1994 act, and authorize the Interior Secretary to help employees pay for legal costs related to the IIM suit. The full House agreed to all these provisions except the limit on the time period for historical accounting. The Senate agreed to none of these provisions, but the FY2003 appropriations law included all the provisions approved by the full House.

For further information on the *Office of Special Trustee for American Indians*, see its World Wide Web site at <http://www.ost.doi.gov/>.

Insular Affairs

The Office of Insular Affairs (OIA) provides financial assistance to the territories and three former insular areas, manages relations between these jurisdictions and the federal government, and attempts to build the capacity of units of local government. Funding for the OIA consists of two parts: (1) permanent and indefinite appropriations that do not require action by the 108th Congress or the Administration, and (2) discretionary and current mandatory funding subject to the appropriations process. The combined funding of both parts for FY2002 was \$353.0 million; the President's request for the FY2003 budget was \$343.5 million, a reduction of \$9.5 million, or 2.7%. The Senate approved a total of \$348.5 million. The House approved \$346.7 million. For FY2003 the approved funding level is \$349.6 million.

Permanent and indefinite appropriations historically constitute roughly 70% to 80% of the OIA budget and comprise two elements. For FY2002 these appropriations totaled \$250.6 million; for FY2003 they total \$252.4 million, as follows:

- \$146.4 million total to three freely associated states formerly included in the Trust Territory of the Pacific Islands. This payment is set forth in the Compacts of Free Association negotiated with representatives of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.¹⁶
- \$106.0 million in fiscal assistance to the U.S. Virgin Islands for estimated rum excise and income tax collections, and to Guam for income tax collections.

¹⁶ Portions of the Compact of Free Association with the FSM and the RMI expired in the fall of 2001 and are being renegotiated. For background, see CRS Report RL31737, *The Marshall Islands and Micronesia: Amendments to the Compact of Free Association with the United States*, by Thomas Lum. The Compact with the Republic of Palau began in FY1994 and will terminate in FY2009.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining balance (roughly 20% to 30%) of the OIA budget. The FY2003 request of the Bush Administration sought to reduce the discretionary portion of the OIA budget to \$91.0 million, a reduction of \$11.2 million (11%) from FY2002. The FY2003 appropriations law includes discretionary funding slightly higher than the request—\$97.2 million. Discretionary funding is comprised of two parts. Funding for the Assistance to Territories account has been set at \$76.2 million; for the Compact of Free Association (CFA) assistance account, \$21.0 million.

Little debate has occurred in recent years on funding for the territories and the OIA. In general, Congress continues to monitor economic development and fiscal management by government officials in the insular areas.

For further information on *Insular Affairs*, see its World Wide Web site at <http://www.doi.gov/oia/index.html>.

Title II: Related Agencies and Programs

For information on the *Department of Agriculture*, see its World Wide Web site at <http://www.usda.gov/>.

Department of Agriculture: Forest Service

For information on the *Department of Agriculture*, see its World Wide Web site at <http://www.usda.gov/>.

U.S. Forest Service

The Forest Service (FS) budget enacted for FY2003 is \$3.98 billion of discretionary appropriations, \$153.7 million (4%) less than was appropriated for FY2002 (\$4.13 billion), excluding \$636 million appropriated in FY2003 to repay transfers to wildfire suppression from other FY2002 appropriations. The FY2003 appropriations are \$28.0 million (1%) more than the request, and \$26.9 million (1%) more than the Senate provided, but \$168.6 million (4%) less than the House passed (excluding a \$500 million fire supplemental for FY2002).

Forest Fires and Forest Health. Fire funding and fire protection programs were perhaps the most controversial issue confronted during consideration of the FY2003 Interior appropriations bill. In fact, during the 107th Congress, the Senate did not pass an Interior appropriations bill largely due to disputes about fire funding and a new program for wildfire protection. The discussion includes questions about funding levels and locations for various fire protection treatments, such as thinning and prescribed burning to reduce fuel loads and clearing around structures to protect them during fires. Another focus is whether logging and access roads help in fire control or exacerbate conflagrations. Still another issue is whether, and to what extent, environmental analysis, public involvement, and challenges to decisions hinder fuel reduction activities.

National Fire Plan. The FY2003 funding debate continued the increased attention in recent years to wildfires and the damage they cause. The severe fire seasons in the summers of 2000 and 2002 prompted substantial debates and proposals related to fire control and fire protection. The severe 2000 fire season led the Clinton Administration to propose a new program, called the National Fire Plan, which applied to BLM lands as

well as to Forest Service lands, with \$1.8 billion to supplement the \$1.1 billion requested before the fire season began. The National Fire Plan comprises the Forest Service wildland fire program and fire fighting on DOI lands; the DOI wildland fire monies are appropriated to the BLM. Congress largely enacted the proposal for FY2001, adding money to the FY2001 request for wildfire operations, fuel reduction, and burned area restoration, fire preparedness, and programs to assist local communities. Total appropriations for the FY2001 National Fire Plan, covering BLM and FS fire funds, were \$2.89 billion. Many of the increases were continued in FY2002, although the less severe 2001 fire season led to decreases in fire suppression operations, restoration and rehabilitation, emergency contingency funds, and private land fire assistance. The FY2002 National Fire Plan was funded at \$2.24 billion.

FY2003 Appropriations. For FY2003, the Bush Administration had proposed to fund the National Fire Plan at \$2.02 billion, \$216 million (10%) less than the FY2002 level. The FY2003 enacted appropriation was \$2.03 billion, \$11 million (1%) more than requested, but \$204 million less than the FY2002 level. (See **Table 11**.) The appropriation is less than the House passed (\$2.17 billion), but more than the Senate passed (\$2.01 billion).

Table 11. Federal Wildland Fire Management Funding, FY2002-FY2003
(\$ in millions)

	Forest Service	BLM	Total
FY2002 Appropriated	\$1,560.3	\$678.4	\$2,238.8
Suppression	521.3	161.4	682.7
Preparedness	622.6	280.8	903.4
Other Operations	416.4	236.2	652.6
FY2003			
Admin. Request	1,369.1	653.8	2,022.9
Suppression	420.7	160.4	581.1
Preparedness	600.7	277.2	877.9
Other Operations	347.7	216.2	563.9
Appropriations	1,379.9	654.4	2,034.3
Suppression	420.7	160.4	581.1
Preparedness	616.0	277.2	893.2
Other Operations	343.2	216.8	560.0

The FS and BLM wildland fire line items include funds for fire suppression (fighting fires), preparedness (equipment, training, baseline personnel, prevention, and detection), and other operations (rehabilitation, fuel treatment, research, and state and private assistance). The FY2003 enacted appropriation for suppression matched the decrease proposed in the President's FY2003 request by eliminating the emergency contingent funds for FY2002. (See **Table 11**). Specifically, the appropriation includes \$160.4 million for the BLM for fire suppression, and \$420.7 million for FS fire suppression. This is a

small decrease from BLM FY2002 suppression funding (–\$1.0 million), and a substantial decrease (nearly –\$101 million) from FS FY2002 suppression funding

For BLM fire preparedness, the appropriation matched the President’s request of \$277.2 million, a slight reduction from the FY2002 level of \$280.8 million. For FS fire preparedness, the appropriation was \$616.0 million, down from the FY2002 level of \$622.6 million. This roughly split the difference between the House-passed increase (to \$640.0 million), and the President’s proposed and Senate-passed reduction (to \$600.7 million).

For other BLM fire operations, the appropriation roughly matched the request and the House and Senate enactments of about \$216 million, a reduction of about \$20 million from the FY2002 regular and emergency contingent appropriation. For other FS fire operations, the appropriation was \$343.2 million, down \$4.5 million from the request, and down \$109.5 from the House, but up \$12.9 million from the Senate. This is a decrease of \$73.2 million from the \$416.4 million appropriated for FY2002.

FY2002 Supplemental Funds. The 2002 fire season also was severe, with conflagrations threatening towns in Colorado, Arizona, Oregon, and elsewhere. As of November 15, 2002, wildfires had burned 7,112,733 acres, nearly as much as in 2000, the most severe fire season since the 1950s.¹⁷ The FS and BLM used their FY2002 suppression funding, and borrowed from other accounts (such as land acquisition) as authorized. As a result, Congress and the Administration debated whether to include, in the FY2003 appropriation, supplemental funds for FY2002 to repay funds borrowed to pay for firefighting. In the FY2003 appropriations law, Congress ultimately enacted \$825 million (\$636 million for FS and \$189 million for BLM) to repay the funds borrowed for FY2002 firefighting (Title III of Division N).

Whether to appropriate supplemental funds for FY2002, and at what level, had been a subject of much debate during consideration of the FY2003 appropriations bill. The House had added \$700 million in FY2002 funds to the FY2003 Interior Appropriations bill for fire suppression (\$500 million for FS and \$200 million for BLM). In late August, the Administration requested \$825 million (\$636 million for FS and \$189 million for BLM) to supplement the FY2002 firefighting efforts. During Senate floor consideration of H.R. 5093, Sen. Byrd offered an amendment (No. 4480) to add the Administration’s request to the Interior bill. A draft substitute, widely attributed to Sen. Domenici, sought \$1.25 billion (\$1.0 billion for FS and \$250 million for BLM), but this amendment was not offered in the Senate. Instead, Sen. Craig offered an amendment (on behalf of himself and Sen. Domenici) to the Byrd amendment to allow hazardous wildfire fuel reduction projects with less environmental and public review. The introduced amendment and various substitutes were debated sporadically from September 5 through September 25, with no resolution. The Senate twice tried to end debate on the fire issue by invoking cloture on the Byrd amendment, but neither attempt was successful.

Largely due to the lack of agreement on wildland fire funding and related issues, the Senate discontinued debate on the Interior appropriations bill in the 107th Congress. The Byrd and Craig/Domenici amendments remained pending when the Senate halted debate.

¹⁷ Data from <http://www.nifc.gov/fireinfo/nfn.html> on February 27, 2003. Note that acres burned is widely used as an indicator of fire severity, and that more acres burned in 2000 than in any year since 1960, but that acres burned at best roughly approximates damages. No measures exist to determine whether damages caused by the fires in 2000 were worse than damages caused by fires in any other year since 1960 (or before).

The House Resources Committee persisted in considering related authorizing legislation, but none was enacted in the 107th Congress. (See CRS Report RL31679.)

Stewardship Contracting. The FY2003 appropriations law included a provision extending the authorization for stewardship through 2013 to the BLM and to an unlimited number of FS contracts (§323 of Division F). This authority allows the agencies to require fuel reduction or other stewardship activities as part of timber sale contracts—essentially trading goods (timber) for services (e.g., fuel reduction). Supporters assert that this is an efficient way to achieve non-commercial benefits using commercial contracts. Opponents counter that this creates incentives to allow more trees to be cut, so as to gain more non-commercial benefits, and grants the agencies too much discretion over the use of timber receipts.

Other Agency Programs. While funding for wildfires was the center of debate, Congress examined other Forest Service programs to determine FY2003 funding levels. The Administration had proposed terminating the Economic Action Program (EAP), which includes rural community assistance and wood recycling, and the Pacific Northwest economic assistance program. The FY2003 appropriations law contained \$26.4 million for EAP, with \$5.0 million more for EAP in the Wildfire Management account—a total of \$31.4 million. The law did not include language from both House and Senate versions of the bill directing an allocation for the Pacific Northwest. The FY2003 total is \$26.2 million (45%) below the FY2002 appropriations of \$57.6 million.

The Administration proposed a \$19.2 million (13%) cut in land acquisition, for a total of \$130.5 million. The House and Senate both had passed small cuts from the FY2002 land acquisition appropriation of \$149.7 million, but the FY2003 enacted level was \$133.8 million, \$15.9 million (11%) less than the FY2002 appropriation. The request also proposed reducing Infrastructure Improvement (which is used to address the nearly \$7 billion deferred maintenance backlog) by \$10.1 million (17%), to \$50.9 million. The FY2003 appropriations law reduced this further, to \$45.9 million, while shifting \$4.9 million to other capital improvements.

The FY2003 budget request included a new Emerging Pest and Pathogens Fund, to rapidly control invasive species problems since early aggressive efforts can reduce or eliminate a problem while it is still small. The request was for \$12.0 million, and the Senate included \$14.0 million, but the House included no money for this Fund and no FY2003 funds were enacted. The other new proposed program was \$15.0 million for Expedited Consultations, where the FS can pay another federal agency to consult on projects that might jeopardize an endangered or threatened species; this would assure that the other agencies' budgets do not limit the FS's ability to proceed on its projects. The FY2003 appropriations law did not include funding for Expedited Consultations.

The Administration proposed \$49.5 million, a \$16.4 million (49%) increase over FY2002 in the Forest Stewardship Program, which provides technical assistance for managing private forests. The FY2003 appropriations law, however, contained appropriations of \$32.2 million, a \$1.0 million (3%) decrease from FY2002. The Administration also proposed \$69.8 million, a \$4.8 million (7%) increase, in the Forest Legacy Program, under which the Forest Service purchases title or easements for lands threatened with conversion to nonforest uses, e.g., residences. The House had reduced this to \$60.0 million, while the Senate had increased it to \$74.0 million. The FY2003 appropriations law provides \$68.8 million, \$1.0 million (1%) less than requested, but \$3.8 million (6%) more than FY2002 appropriations.

Tongass National Forest. The FY2003 appropriations law contained legislative language on the Tongass National Forest. The language prohibits administrative appeals and judicial review of “The Record of Decision for the 2003 Supplemental Environmental Impact Statement for the 1997 Tongass Land Management Plan” (§ 335 of Division F). With this provision, Congress has essentially approved the agency’s decision to recommend no additional wilderness in the Tongass National Forest in Alaska. Some groups had been advocating additional wilderness designations and further restrictions on road building and timber harvesting in the Tongass.

For further information on the *U.S. Forest Service*, see its World Wide Web site at <http://www.fs.fed.us/>.

For information on the Government Performance and Results Act for the U.S. Forest Service, see the *USDA Strategic Plan* World Wide Web site at <http://www.usda.gov/ocfo/strat/index.htm>.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

CRS Report RL31679. *Wildfire Protection: Legislation in the 107th Congress and Issues in the 108th Congress*, by Ross W. Gorte.

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Report RS20985. *Stewardship Contracting for the National Forests*, by Ross W. Gorte.

Department of Energy

For further information on the *Department of Energy (DOE)*, see its World Wide Web site at <http://www.energy.gov/>.

For information on the Government Performance and Results Act for the DOE or any of its bureaus, see *DOE’s Strategic Plan* World Wide Web site at <http://www.cfo.doe.gov/stratmgt/plan/doesplan.htm>.

Fossil Energy Research, Development, and Demonstration

The FY2003 appropriations law contained \$624.9 million for Fossil Energy R&D. This represents a 7% increase over FY2002 (\$582.8 million), and a 28% increase over the President’s FY2003 request (\$489.3 million).¹⁸ Much of the difference in funding between the enacted level and the Administration’s request is in fuel cells, transportation fuels, natural gas and petroleum production technologies. In earlier action, the Senate approved funding fossil energy programs at \$625.7 million, while the House approved funding level was even higher—\$664.2 million.

¹⁸ The FY2003 request and appropriated amount for FY2002 reflect previously appropriated amounts (\$40 million for FY2003 and \$33.7 million for FY2002) from the Clean Coal Technology program and prior year balances (\$14.0 million for FY2003 and \$6.0 million for FY2002).

The FY2003 appropriations law provided \$150.0 million for the Clean Coal Power Initiative (CCPI) and approves Clean Coal Technology Program (CCTP) deferrals of \$87 million for FY2003. The joint explanatory statement of the conference report states that up to \$15.0 million in prior year funds may be used to administer the CCTP in FY2003. The program is a cooperative cost-shared industry/government program for “funding advanced research and development and a limited number of joint government-industry-funded demonstrations of new technologies that can enhance the reliability and environmental performance of coal-fired power generators.” The CCPI is along the lines of the Clean Coal Technology Program, which has completed most of its projects and has been subject to rescissions and deferrals since the mid-1990s.

The Administration had requested \$150.0 million for CCPI for FY2003 as part of a \$2 billion ten-year commitment, but had not recommended a deferral from previously appropriated Clean Coal Technology Program funds. The CCTP has been funded separately from the other fossil R&D programs. The Administration had sought to consolidate it with coal R&D programs under Fossil Energy Research and Development. Under the proposal, the CCTP would have received no additional appropriations, but would have received \$40.0 million in FY2003 from previously deferred budget authority to continue with several projects that are still active. However, the CCTP was retained as a separate program in the FY2003 appropriations law. The CCTP eventually will be phased out.

The Senate had supported the President’s request of \$150.0 million for its CCPI but recommended a deferral of \$60 million for the CCTP. The House also agreed to \$150.0 million for CCPI, while deferring \$50 million in CCTP funding until FY2004 and using up to \$14 million in prior year balances to administer the CCTP in FY2003. The Senate did not support using \$14 million in prior year balances towards the FY2003 Fossil Energy program.

Under the Administration’s request, research and development (R&D) on natural gas would have been cut by nearly half, to \$22.6 million, and R&D on petroleum by about a third, to \$35.4 million. The Senate however, supported these programs at \$46.3 for natural gas and 44.3 million for petroleum programs. The House approved \$48.2 million for natural gas and \$54.9 million for petroleum technology programs. The FY2003 law contained \$47.3 million for natural gas programs and \$42.3 for petroleum technology. The Administration’s request would have phased out funding for the Fuels program, including R&D on ultra-clean fuels technology, reducing the request to \$5.0 million for FY2003 from \$32.2 million in FY2002. The Senate approved \$27.3 million for the Fuels program, while the House supported spending \$31.6 million. The FY2003 law retained the fuels program, providing \$31.4 million. The FY2003 appropriations law contains \$68.9 million for the Energy Technology Center (ETC), as compared with the Administration’s request of \$64.9 million. The Senate had supported \$69.9 million, while the House approved \$67.9 million for ETC programs. The FY2003 law also provided \$40.2 million for sequestration R&D, which would test new and advanced methods for greenhouse gas capture, separation, and reuse. This is an increase from the FY2002 level of \$32.2 million, but a decrease from the Administration’s request of \$54.0 million. The Senate and the House both had approved \$42.0 million.

The Administration also proposed to transfer the Fossil Energy (FE) Infrastructure program that funds natural gas research activities (\$10.0 million in FY2002) to the Department of Transportation’s Office of Pipeline Safety, in order to reduce any

duplication of effort. The Senate and House supported maintaining the infrastructure program within Fossil Energy, and the FY2003 law retained the Infrastructure program within Fossil Energy with an appropriation of \$9.1 million.

For further information on *Fossil Energy*, see its World Wide Web site at <http://www.fe.doe.gov/>.

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

Strategic Petroleum Reserve

The SPR, authorized by the Energy Policy and Conservation Act (P.L. 94-163) in late 1975, consists of caverns formed out of naturally-occurring salt domes in Louisiana and Texas in which more than 570 million barrels of crude oil are stored. The purpose of the SPR is to provide an emergency source of crude oil which may be tapped in the event of a presidential finding that an interruption in oil supply, or an interruption threatening adverse economic effects, warrants a drawdown from the Reserve.

Sharp increases in the price of oil beginning in the spring of 1999 spurred calls for drawdowns from the Reserve. The Clinton Administration authorized some exchanges and swaps of oil from the SPR, and also instituted a program to accept roughly 28 million barrels as royalty-in-kind (RIK) payments for production from federal leases. Acquiring oil for the SPR by RIK avoids the necessity for Congress to make outlays to finance direct purchase of oil; however, it also means a loss of revenues to the Treasury insofar as the royalties are paid in wet barrels rather than in cash. In mid-November 2001, President Bush ordered that the SPR be filled to capacity (700 million barrels) using RIK oil. Deliveries of RIK oil began in the spring of 2002. The fill rate has varied and should average about 55,000 barrels a day (b/d) between December 2002 and the end of FY2003.

The FY2003 appropriation law provided a total of \$180.9 million for the Strategic Petroleum Reserve. This consists of \$172.9 million for facilities, operation and management; \$2 million in new money for the SPR Petroleum Account, reflecting a level of \$7 million for transportation of RIK oil, less a \$5 million rescission of unobligated prior-year funds; and \$6 million for the NHOR, reflecting lower costs for leasing of the storage facilities. The FY2003 law reauthorized the SPR through FY2008.

The FY2003 budget request for the SPR was \$187.7 million, an increase of \$8.7 million from the appropriation for FY2002 (\$179.0 million). The request had three components. First, it included \$154.9 million for storage facilities development and operations management, and \$14.0 million for management of the SPR sites. Second, \$11.0 million was included in the SPR Petroleum Account to support the costs of transporting RIK oil to SPR sites. Third, the request included \$8.0 million for the Northeast Heating Oil Reserve (NHOR), established by the Clinton Administration, which houses 2 million barrels of home heating oil in above-ground facilities in Connecticut and New Jersey.

In the Senate, the Committee on Appropriations had recommended a total of \$189.9 million, including \$158.9 for facilities development and operations, \$16.0 million for management, \$7.0 million for transporting RIK oil to the SPR, and \$8 million for the Northeast Home Heating Oil Reserve. The Committee reduced the SPR Petroleum Account by \$4.0 million, transferring that money to development and operations for the express purpose of helping to pay for injection of oil into the Reserve. The House

approved \$190.9 million, essentially following the Senate model with an additional \$1 million for management.

The omnibus appropriations legislation approved by the Senate on January 23, 2003, included \$172.9 million for the SPR, \$7 million for the SPR Petroleum Account, and \$6 million for the NHOR – a total of \$185.9 million. The Senate also included language giving permanent authorization to the SPR, and affirming President Bush's previous expression that the SPR should be filled to capacity as soon as practicable. Similar language had been agreed to by the conferees on the omnibus energy legislation (H.R. 4) that was not enacted before the 107th Congress adjourned.

For further information on the *Strategic Petroleum Reserve*, see its World Wide Web site at <http://www.fe.doe.gov/programs/reserves/spr>. CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

Naval Petroleum Reserves

The National Defense Authorization Act for FY1996 (P.L. 104-106) authorized sale of the federal interest in the oil field at Elk Hills, CA (NPR-1). On February 5, 1998, Occidental Petroleum Corporation took title to the site and wired \$3.65 billion to the U.S. Treasury. P.L. 104-106 also transferred most of two Naval Oil Shale Reserves (NOSR) to DOI; the balance of the second was transferred to DOI in the spring of 1999. On January 14, 2000, DOE returned the undeveloped NOSR-2 to the Ute Indian Tribe; the FY2001 National Defense Authorization (P.L. 106-398) provided for the transfer. The U.S. retains a 9% royalty interest in NOSR-2, those proceeds to be applied to the costs of remediation for a uranium mill tailings site near Moab, Utah.

This leaves in the Naval Petroleum Reserves program two small oil fields in California and Wyoming, which will generate estimated revenue to the government of roughly \$7.2 million during FY2003. The request to maintain the Naval Petroleum Reserves (NPR) for FY2003 was \$20.8 million, a decrease of \$1.5 million from FY2002 (\$22.4 million, including \$17.4 million in new appropriations and \$5.0 million in prior year funds). The conference report on the FY2003 appropriations bill provided \$17.8 million, making a "general reduction" of \$3 million from the House- and Senate-approved levels. This level was enacted into law for FY2003.

In settlement of a long-standing dispute between California and the federal government over the state's claim to Elk Hills as "school lands," the California Teachers' Retirement Fund is to receive 9% of the sale proceeds after the costs of sale have been deducted. The agreement between DOE and California provided for five annual payments of \$36.0 million beginning in FY1999, with the balance due to be paid in equal installments in FY2004 and FY2005. The FY2003 budget request included an advance appropriation of \$36.0 million for the Elk Hills School Lands Fund, to be paid at the start of FY2004. This was enacted in the FY2003 appropriations law.

For further information on *Naval Petroleum and Oil Shale Reserves*, see its World Wide Web site at <http://www.fe.doe.gov/programs/reserves/npr>.

Energy Conservation

The FY2003 request for DOE's Energy Efficiency Program notes that "energy efficiency programs produce substantial benefits for the Nation," according to the Budget Appendix

to the U.S. Government's FY2003 Budget (Budget Appendix, p. 403). However, the Administration also stresses that the FY2003 budget proposes changes that reflect findings of the *National Energy Policy Report* and the *President's Management Agenda*. Specifically, the request states that the "Energy Efficiency [Office] will terminate projects that provide insufficient public benefit, redirect activities to better provide public benefits, place certain activities on a watch list to ensure they advance effectively, and expand several programs that could achieve significantly increased benefits with additional funding." (DOE Budget Highlights, p. 103). Thus, DOE proposed to decrease conservation funding under DOE's Office of Energy Efficiency and Renewable Energy (EERE) from \$912.8 million in FY2002 to \$901.6 million in FY2003. See **Table 12**.

Table 12. Appropriations for DOE Energy Conservation, FY2002-FY2003
(\$ in millions)

DOE Energy Conservation	FY2002 Approp.	FY2003 Request	FY2003 Senate	FY2003 House	FY2003 Approp.
Buildings	\$380.3	\$408.8	\$367.0	\$405.3	\$366.1
Federal Energy Mgmt.	23.3	27.9	26.9	24.9	23.9
Industry	148.9	138.3	140.9	159.8	138.4
Power Technologies	63.8	63.9	65.2	79.7	70.7
Transportation	252.7	222.7	244.4	273.9	248.1
Policy and Management	43.8	40.1	40.1	44.1 ^a	42.1 ^a
R&D Subtotal	637.8	585.7	614.3	687.6	619.6
Grants Subtotal	275.0	315.9	270.0	300.0	270.0
Gross Total	912.8	901.6	884.3	987.7	889.6
Adjustments/Other	0.0	0.0	0.0	-3.0	8.0 ^b
Total Appropriations	912.8	901.6	884.3	984.7	\$897.6

a. Includes funds for a study by the National Academy of Sciences.

b. Includes \$3.0 million for cooperative programs with states and \$5.0 million for energy efficiency science initiatives.

In the 107th Congress, the House-approved level of \$984.7 million for the DOE Energy Conservation Program would have increased funding over FY2002 by \$71.9 million, or 8%, not accounting for inflation. Compared to the Administration's request, the House level would have increased funding by \$83.0 million, or 9%. The House level included \$250.0 million for weatherization grants, \$50.0 million for state energy grants, \$687.6 million for R&D, and a \$3.0 million general reduction.

In the 108th Congress, the Senate-passed bill contained \$884.3 million for the FY2003 DOE Energy Conservation Program. This was \$37.4 million less than the \$921.7 million that the Senate Appropriations Committee had recommended in the 107th Congress. Compared to the House-passed bill in the 107th Congress, the Senate level was \$100.4 million, or 10%, lower. This difference includes \$73.3 million less for R&D and \$30.0 million less for grants, but did not include a \$3.0 million reduction that was included in the House level.

As enacted, the FY2003 bill includes \$897.6 million for the DOE Energy Conservation Program. Compared to the Administration's request, the enacted level would cut \$4.0 million, or 0.4%. Compared to FY2002, the enacted level cuts \$15.2 million, or 2%, not accounting for inflation. This includes cuts of \$5.0 million for weatherization grants and \$18.2 million for R&D. Transportation R&D falls by \$4.7 million, including decreases of \$5.7 million for Fuels Utilization and \$4.0 million for Hybrid Vehicles. It also includes FreedomCAR-related increases of \$8.1 million for Advanced Combustion Engines and \$6.1 million for Fuel Cells. Industry R&D falls by \$10.6 million, including cuts of \$2.8 million for Petroleum Industry Vision and \$2.8 million for Combustion Systems. Power Technologies increases by \$6.8 million. Buildings Research and Standards falls by \$2.6 million, including a cut of \$4.5 million for Technology Road Maps. Energy Star increases by \$1.2 million.

In the 107th Congress, the report of the House Committee on Appropriations proposed \$1.0 million in new funding for DOE to "do a better job of measuring potential program success" through program reviews by the National Academy of Sciences to help decide whether to expand or scale-back programs. The FY2003 law allocates \$500,000 for this purpose. Also, the House report directs that EERE adopt a procurement practice to "allow full and open competition to occur, when appropriate." The report of the Senate Committee on Appropriations directed EERE to "revise and restructure" the budget request documents for FY2004, noting that they often lack a complete explanation of recommended funding changes. The conference report does not add any further provisions.

For further information on the *Energy Conservation Budget*, see the Web site at [<http://www.mbe.doe.gov/budget/03budget/>]. For further information on *Energy Conservation Programs*, see the Web site at [<http://www.eren.doe.gov/>].

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

Department of Health and Human Services: Indian Health Service

For further information on the Indian Health Service see the agency's Internet site at [<http://www.dhhs.gov/>].

Indian Health Service

The Indian Health Service (IHS) carries out the federal responsibility of assuring comprehensive medical and environmental health services for approximately 1.5 million to 1.7 million American Indians and Alaska Natives (AI/AN) who belong to over 560 federally recognized tribes located in 34 states. Health care is provided through a system of federal, tribal, and urban Indian operated programs and facilities that serve as the major source of health care for AI/AN. IHS provides direct health care services through 36 hospitals, 58 health centers, 4 school health centers, and 44 health stations. Tribes and tribal groups, under IHS contracts, operate another 13 hospitals, 161 health centers, 3 school health centers, and 249 health stations, including 170 Alaska Native village clinics. IHS, tribes, and tribal groups also operate 11 regional youth substance abuse treatment centers and more than 2,200 units of staff quarters.

IHS funding is separated into two Indian health budget categories: services and facilities. The Senate-passed bill recommended a total of \$2.821 billion in appropriations for FY2003, up \$5.7 million or 0.2% above the President's request of \$2.816 billion, and \$62.2 million or 2.3% over the FY2002 appropriation of \$2.759 billion. The House-passed bill provided a total of \$2.901 billion for FY2003, up \$84.2 million or 3% from the President's request, and \$141.5 million or 5.1% over the FY2002 appropriation. The FY2003 appropriations law provides a total of \$2.868 billion for FY2003, \$52.7 million (1.9%) over the President's request and \$109.2 million (4%) over the FY2002 appropriation. Of the total IHS appropriations enacted for FY2003, approximately 87% would be used for health services, and 13% for the health facilities' program. IHS services are funded not only through congressional appropriations, but also from money reimbursed from private health insurance and federal programs such as Medicare, Medicaid, and the State Children's Health Insurance Program. IHS estimates that it will collect another \$450 million in reimbursements in FY2003.

The IHS's service budget has several subcategories: clinical services, preventive health services, and other services. Clinical services include basic primary care for inpatient and outpatient services at IHS hospitals and clinics. The House provided a total of \$1.996 billion for FY2003, \$51.2 million or 2.6% over the Administration request of \$1.945 billion, and \$104.4 million or 5.5% above the FY2002 level of \$1.892 billion. The Senate recommended \$1.949 billion for FY2003, \$47 million less than the House, but 0.2% over the request and 3% above the FY2002 appropriations level. Congress enacted \$1.987 billion, 2.1% above the request and 5% over FY2002. Within clinical services, the enacted appropriations will support programs for hospitals and clinics (\$1.22 billion), dental health (\$100.3 million), mental health (\$50.6 million), and substance abuse treatment (\$137.7 million). Also in the clinical services budget, the House appropriated \$483.1 million for contract health care, 4.9% over FY2002 and \$15 million more than the Senate recommendation of \$468.1 million. Congress enacted \$478.1 million, 3.8% over the FY2002 amount. Contract health services are services purchased from local and community health care providers when IHS cannot provide medical care and specific services through its own system.

For preventive health services, both the House and Senate recommended \$103.3 million, the same amount requested by the President, and 3.6% over the FY2002 appropriation of \$99.7 million. The FY2003 appropriations law provided the requested amount. Congress accepted the President's funding request for public health nursing (\$39.9 million), health education in schools and communities (\$11.1 million), and immunizations (\$1.6 million). The total also will fund the community health representatives' program (\$50.8 million), a tribally administered program that supports community members who work to prevent illness and disease in their communities.

For other health related activities, the House recommended a total of \$409.2 million and the Senate, \$403.3 million. Congress enacted \$402.1 million. The House, Senate, and Congress allocated \$31.5 million for off-reservation urban health projects, and \$2.4 million for costs associated with providing tribal management grants to tribes. The House and Senate differed, however, in amounts for scholarships to Indian health professionals; the House recommended \$35.4 million, while the Senate provided a total of \$31.3 million and directed IHS to recruit health professionals from among the general population. Congress enacted the Senate amount. The House also expected IHS to implement a program offering bonus payments to health professionals, similar to the approach taken in

a South Dakota demonstration program where a tribe was able to hire full time personnel at less cost than the cost of paying part time contract health services.

For IHS direct operations, including technical management and tribal consultation support, the Senate recommended \$57.2 million, and the House slightly less at \$56.1 million. Congress enacted \$60.6 million. For self-governance funding, however, there was a large difference as the Senate recommended \$10.1 million, and the House provided only \$1.1 million. The House Committee report said that only this amount was needed to cover 8 positions in the self governance office, because there had been no new self-governance compacts recently, and the committee believed that the funds should be used for other underfunded programs. Congress enacted \$5.6 million for self-governance.

Contract support costs are awarded to tribes for administering programs under contracts or compacts authorized under the Indian Self-Determination Act (P.L. 93-638, as amended). They include costs for expenses tribes incur for financial management, accounting, training, and program start-up. The Senate and the House both proposed that \$270.7 million be used for contract support costs, and that amount was enacted.

The Senate did not agree with the President's proposed reductions in staffing levels, travel, training, and copying costs for direct operations. On another matter, the Senate Committee on Appropriations expressed concern about the Administration's recent proposal to transfer and consolidate IHS's Office of Legislative Affairs into the parallel office in the Department of Health and Human Services (DHHS). The Committee noted that this IHS office handles a variety of complex Native American and Alaskan Indian health service issues, which require more expertise and attention than would be possible under a consolidation. As such, the Committee did not agree to the consolidation, while the House was silent on the issue. The conference report stated that DHHS consolidations or realignments of any IHS programs must be approved by both Appropriations Committees through the reprogramming process.

The IHS's facilities category includes money for the construction, maintenance, and improvement of health and sanitation facilities. The House recommended a total of \$391.9 million for FY2003, a 6.1% increase over the preceding year's appropriation of \$369.5 million, and a 8.1% increase over the President's FY2003 request of \$362.6 million. The Senate provided \$365.4 million for FY2003, a 1.1% decrease from the FY2002 appropriation, but an increase of 0.8% or \$2.8 million over the President's FY2003 request. Congress enacted \$376.2 million, 1.8% above the FY2002 amount and 3.8% over the President's request.

The House and Senate disagreed with several changes put forward in the President's budget. They both prohibited IHS funds from being used to construct sanitation facilities in new houses funded under the Department of Housing and Urban Development (HUD); both bodies assert that HUD should provide the funding. The FY2003 appropriations law included the prohibition.

For further information on the *Indian Health Service*, see the agency's Web site at [<http://www.ihs.gov/>].

Office of Navajo and Hopi Indian Relocation

The Office of Navajo and Hopi Indian Relocation (ONHIR) was reauthorized for FY1995-2000 by P.L. 104-301. The 1974 relocation legislation (P.L. 93-531, as amended) was the end result of a dispute between the Hopi and Navajo tribes involving land

originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, lands were partitioned between the two tribes. Members of one tribe who ended up on the other tribe's land were to be relocated. ONHIR classifies families as relocated when they occupy their replacement home. Most relocatees are Navajo. A large majority of the estimated 3,477 Navajo families formerly on the land partitioned to the Hopi already have relocated under the Act, but the House Appropriations Committee estimates that about 233 families (almost all Navajo) have yet to complete relocation, including about 24 Navajo families still on Hopi partitioned land (some of whom refuse to relocate). The remaining families are not on Hopi partitioned land but are in various stages of acquiring replacement housing. ONHIR's chief activities consist of housing acquisition and construction, land acquisition, and certification of families' eligibility for relocation benefits.

For FY2002, ONHIR received appropriations of \$15.1 million. For FY2003, the Administration proposed \$14.5 million, a decrease of \$657,000, or 4%. The Senate, House, and Congress approved the proposed amount of \$14.5 million.

For much of the relocation period, negotiations and litigation have proceeded among the Navajo Nation, the Hopi Tribe, the Navajo families on Hopi partitioned land, and the federal government on a number of issues, especially regarding Hopi Tribe claims against the United States. In 1995, the United States and the Hopi Tribe reached a proposed settlement agreement on Hopi claims. Attached to the settlement agreement was a separate accommodation agreement between the Hopi Tribe and the Navajo families, which provided for 75-year leases for Navajo families on Hopi partitioned land. The Navajo-Hopi Land Dispute Settlement Act of 1996 (P.L. 104-301) approved the settlement agreement between the United States and the Hopi Tribe. Not all issues have been resolved by these agreements, however, and opposition to the agreements and the leases is strong among some of the Navajo families. Navajo families with homesites on Hopi partitioned land faced a March 31, 1997, deadline for signing the leases (accommodation agreements). According to ONHIR, 70 of the 73 Navajo families then on Hopi-partitioned land had signed accommodation agreements by the end of September 1999.

The Hopi Tribe has called for enforcement of relocation against Navajo families without leases. Like the FY1997-FY2002 Interior appropriations acts, the FY2003 appropriations law would forbid ONHIR from evicting any Navajo family from Hopi partitioned lands unless a replacement home were provided. This language appears to prevent ONHIR from forcibly relocating Navajo families during FY2003 since the ONHIR has a large backlog of relocatees who are approved for replacement homes but have not yet received them. These relocatees would have priority in receiving replacement homes. The settlement agreement approved by P.L. 104-301, however, allows the Hopi Tribe under certain circumstances to begin actions against the United States after February 1, 2000, for failure to give the Hopi "quiet possession" of all Hopi-partitioned lands if Navajo families on these lands have not either relocated or entered into accommodation agreements with the Hopi Tribe. The Hopi Tribe has not yet filed such a quiet possession claim against the United States. The Tribe has agreed to wait while the U.S. pursues legal actions against Navajo who have neither signed agreements nor relocated, but has asserted that evictions should have already started.

Smithsonian, National Endowment for the Arts, and National Endowment for the Humanities

One of the perennial issues addressed by Congress concerning the programs and agencies delineated below is whether federal government support for the arts and culture is an appropriate federal role, and if it is, what should be the shape of that support. If the continued federal role is not appropriate, might the federal commitment be scaled back such that greater private support or state support would be encouraged? Each program has its own unique relationship to this overarching issue.

Smithsonian

The Smithsonian Institution (SI) is a museum, education and research complex of 16 museums and galleries, the National Zoo, and research facilities throughout the United States and around the world. Nine of its museums and galleries are located on the Mall between the U.S. Capitol and the Washington Monument, and SI counted 42 million visits in 2001. The National Zoo had 2.8 million visits, the Museum of Natural History had 9.1 million visits, and the National Air and Space Museum (NASM) had 9.8 million visits.

The Smithsonian is estimated to be 70% federally funded. A federal commitment to fund the Institution was established by legislation in 1846. Today, the Smithsonian receives both federal appropriations and various types of trust funds.

SI Budget and Appropriations

The FY2003 appropriations law provides \$548.5 million for the Smithsonian, \$20.6 million above the House-passed bill and the FY2003 request, \$17.6 million above the Senate-passed level and \$29.7 million above the FY2002 level. For Smithsonian's Salaries and Expenses, the FY2003 appropriation provides \$449.1 million, \$12.4 million above the House and Senate-passed level (\$436.7 million), \$14.4 million above the budget request for FY2003 (\$434.7 million) and \$28.1 million above the FY2002 enacted level. See **Table 13**.

For the National Museum of the American Indian (NMAI), the FY2003 enacted appropriation provides \$16.0 million for completion of construction of the Mall museum, the same as the Senate-passed bill. The House-passed bill and the President's budget request had included \$10.0 million for the NMAI. Initially, the NMAI was controversial. Opponents of constructing a new museum argued that the current Smithsonian museums needed renovation, repair, and maintenance of the collection with an estimated 142 million items, more than the public needed another museum on the Mall. Proponents argued that there had been too long a delay in providing a museum in Washington to house the Indian collection.

Private donations to the Smithsonian for the NMAI and a fund-raising campaign focusing on individuals, foundations, and corporations totaled \$36.7 million, representing one-third of the original estimated cost (\$110 million) and the amount required to meet the non-appropriated portion of project funding. Of this amount, an estimated \$15 million came from the Indian community directly. Based on a new estimate of \$219.3 million for the Indian museum, the Smithsonian indicated that \$20 million in trust funds would cover opening costs and that additional fund raising would be required. The groundbreaking

ceremony for the NMAI took place September 28, 1999. The projected opening of the Museum is 2004.

The FY2003 enacted appropriation provides \$83.4 million for “repair, restoration, and alteration of facilities”, an increase of \$2.1 million above the House-passed bill (\$81.3 million), and \$5.1 million above the Senate measure (\$78.3 million). This line item includes funds for critical repairs at the National Zoo, renovation of the Patent Office Building and the National Museum of Natural History, and routine repair in all Smithsonian facilities. Work was begun last year on the National Museum of Natural History and the Patent Office Building (the home of two Smithsonian Museums—the National Portrait Gallery and the Smithsonian Museum of American Art—with a projected total cost estimate of \$151 million.) The SI is responsible for over 400 buildings with approximately 8 million square feet of space. Four of the Smithsonian’s buildings plus the National Zoo constitute approximately one-third of the SI’s public space: the National Museum of Natural History (1910), the American Art and Portrait Gallery (1836-1860), the Castle building (1846), and the Arts and Industries building (1849).

A study by the National Academy of Public Administration (NAPA), *A Study of the Smithsonian Institution’s Repair, Restoration and Alteration of Facilities Program*, confirms what the Institution had already concluded: that funding for repair and renewal of SI’s facilities has not kept pace with need, resulting in increased deterioration of the physical plant. The NAPA report contends that the Smithsonian needs to spend more than \$1.5 billion over the next decade to fully repair, renovate, and improve its facilities.

SI Trust Funds

In addition to federal appropriations, the Smithsonian receives trust funds to expand its programs. The SI trust fund includes contributions from private sources, and government grants and contracts from other agencies. General trust funds include investment income and business revenues from what the Smithsonian identifies as “business ventures” (including the Smithsonian magazine, retail shops, restaurants, concessions, catalogs, and entertainment initiatives, i.e. Resident Associates and other entertainment programs.) There are also trust funds that are private donor designated funds. Designated trust funds are those that include gifts, grants, and contributions from individuals, foundations, and corporations that specify and direct the purpose of funds. In FY2001, contributions from private individuals, foundations, and corporate sources for designated projects totaled \$178.8 million, and for FY2002, they were projected to total \$80 million. One large single contribution to the Smithsonian from a private donor (Steven F. Udvar-Hazy)—\$60 million—was pledged for the National Air and Space Museum’s Dulles Center (FY1999). The Dulles extension is scheduled to open in December of 2003.

Finally, government grants and contracts (separate from the regular appropriation) are provided by various government agencies and departments for projects specific to the Smithsonian because of their expertise in certain fields including science, history, art, and education. For FY2002, in addition to the regular appropriation, government grants and contracts were projected to be \$70 million. Part of this funding is available to the Smithsonian’s Astrophysical Observatory.

Tracking of the Smithsonian’s Trust fund expenditures is of major concern to the Congress. In FY2003, the Senate Committee on Appropriations recommended instituting a plan that the Smithsonian has now developed to track trust fund budget proposals and

expenditures. According to the Inspector General of the Smithsonian, there was a discrepancy between what the Board of Regents approved for 1998 through 2000 (\$699 million) compared to actual expenditures of \$1.07 billion.

The House Committee on Appropriations, in FY2003 report language, expressed concern about the controversies between the Smithsonian and benefactors' control over SI properties and exhibits. One particular issue is the renaming of the Air and Space Theater, replacing the name of Langley with a corporate sponsor name. The Committee recommended reopening negotiations, and requests a review of all benefactor agreements within the last two years. In addition, the Committee would like further review of the practices for compensation of Smithsonian leadership.

Two of the controversies concerning the Smithsonian in previous years were resolved. They involved the proposed closing of the Smithsonian Center for Materials Research and Education (SCMRE) and the Conservation and Research Center (CRC) in Front Royal, Virginia. On May 6, 2001, in response to objections by scientists and others, the Smithsonian reversed its policy with regard to the CRC and SCMRE and continued to maintain both centers. The FY2002 Interior Appropriations law provided that an independent "blue ribbon" Science Commission would be established and meet before any final decision about closing either the CRC or the SCMRE. The direction of SI's research priorities is still of concern to Congress.

Table 13. Smithsonian Institution Appropriations FY2002-2003

(\$ in thousands)

Smithsonian Institution (SI)	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Salaries and Expenses	\$420,960a	\$434,660	\$436,660	\$436,660	\$449,105
Repair, Restoration, and Alteration of Facilities	67,900	81,300	78,300	81,300	83,425
Construction	30,000	12,000	16,000	10,000	16,000
SI total	518,860a	527,960	530,960	527,960	548,530

a. Includes \$21,707,000 contained in the FY2002 Emergency Supplemental Appropriation, P.L. 107-117, for SI's Anti-Terrorism funding.

For further information on the *Smithsonian*, see its World Wide Web site at <http://www.si.edu/>.

National Endowment for the Arts and National Endowment for the Humanities

One of the primary vehicles for federal support for the arts and the humanities is the National Foundation on the Arts and the Humanities, composed of the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum Services (IMS), now constituted as the Institute of Museum and Library Services (IMLS) with an Office of Museum Services (OMS). The authorizing act, the National Foundation on the Arts and the Humanities Act, was last reauthorized in 1990 and expired at the end of FY1993, but NEA and NEH have since been operating on temporary authority through appropriations law. The 104th Congress established the

Institute of Museum and Library Services and created the Office of Museum Services (P.L. 104-208).

The FY2003 appropriation for NEA provides \$116.5 million (which includes \$17 million for the Challenge America Arts Fund), the same as the Senate passed bill and the FY2003 Administration request. The House had approved a total of \$126.5 million for NEA (\$99.5 million plus \$27.0 million for the Challenge America Arts Fund). The House had agreed to a floor amendment (234-192) to increase NEA by \$10 million and NEH by \$5 million by reducing Interior departmental management salaries and expenses. The FY2003 appropriation's law and the Senate-passed bill included Challenge America Arts fund within NEA's total for Grants and Administration, a slightly different accounting method than used by the House and the Administration. See **Table 14**. NEA's direct grant program currently supports approximately 1,600 grants. State arts agencies are now receiving over 40% of grant funds, with 1,000 communities participating nationwide, particularly from under-represented areas. The NEA now administers the Challenge America Arts Fund, a program of matching grants for arts education, outreach and community arts activities for rural and underserved areas. The NEA is required to submit a detailed report to the House and Senate Appropriations Committees describing the use of funds for the Challenge America program.

The FY2003 appropriation for NEH is \$125.8 million, the same as the FY2003 budget request and the Senate-passed measure, \$1.3 million above the FY2002 level, but \$5.3 million below the House-passed FY2003 level. The NEH supports extensive grants for humanities education, research, preservation and public humanities programs; grants for the creation of regional humanities centers; and grants to help develop humanities programs under the jurisdiction of the 56 state humanities councils. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions.

Effective with FY2003, the appropriation for the Office of Museum Services moved from the Interior and related agencies appropriations bill to the appropriations bill for the Departments of Labor, Health and Human Services (HHS), and Education (ED) and related agencies. The rationale for this transfer was that the Office of Library Services, the larger of the two components of IMLS, is already under Labor-HHS-Ed appropriations, and having one single funding stream under one appropriation would make bookkeeping simpler and reduce duplicative review for Appropriations subcommittees. The FY2003 appropriation (under Labor-HHS-Ed appropriations) for IMLS is \$245.5 million for both libraries and museums (including earmarks for museums and libraries and \$10.0 million for educating librarians for the 21st century initiative). The OMS portion of the appropriation is approximately \$30 million, compared to \$26.9 million for FY2002. The Office of Museum services provides grants in aid to museums in the form of leadership grants, museum conservation, museum assessment, and General Operating Support (GOS) to help over 400 museums annually to improve the quality of their services to the public.

Among the questions Congress continually considers is whether funding for the arts and humanities is an appropriate federal role and responsibility. Some opponents of arts support argue that NEA and NEH should be abolished altogether, contending that the federal government should not be in the business of supporting arts and humanities. Other opponents argue that culture can and does flourish on its own through private support. Proponents of federal support for arts and humanities contend that the federal government

has a long tradition of support for culture, beginning as early as 1817 with congressional appropriations for works of art to adorn the U.S. Capitol. Some representatives of the private sector say that they are unable to make up the gap that would be left by the loss of federal funds for the arts. Others argue that abolishing NEA and NEH would curtail or eliminate the programs that have national significance and purpose (such as national touring theater and dance companies, radio and television shows, traveling museum exhibitions, etc.) Former President Clinton's Committee on the Arts, in *Creative America* (1997), recommended federal funding for NEA and NEH at \$2.00 per person by the year 2000. In contrast, total funding for NEA and NEH now represents approximately 84 cents per person.

Previous NEA Controversies. Although there appears to be an increase in congressional support for the NEA, the debate often recurs on previous questionable NEA grants when appropriations are considered, in spite of attempts to resolve these problems through previous statutory provisions. The debate involved whether or not some of the grants given were for artwork that might be deemed obscene. To date, no NEA projects have been judged obscene by the courts. On November 5, 1996, a federal appeals court upheld an earlier decision, *NEA v. Finley*, ruling that applying the "general standards of decency" clause to NEA grants was "unconstitutional." However, in anticipation of congressional reaction to NEA's individual grants, NEA eliminated grants to individuals by arts discipline with some exceptions. On June 25, 1998, the Supreme Court reversed the federal appeals court decision for *NEA v. Finley* (CA9, 100F.3d 671) by a vote of 8 to 1, stating that the NEA "can consider general standards of decency" when judging grants for artistic merit, and that the decency provision does not "inherently interfere with First amendment rights nor violate constitutional vagueness principles."

Congress enacted NEA reform measures in past appropriations laws. Among these reforms were increases in funding allocations from 35% to 40% to states for basic state arts grants and for grants to under served populations. In addition, language emphasizing arts education was included. A 15% cap was placed on NEA funds allocated to each state, exempting only those grants with a national impact. Members of the House and Senate were added to the National Council on the Arts. Both NEA and NEH were given specific authority to solicit funding and to invest those funds. In the FY2003 final appropriation, the language is retained that has been in previous appropriations related to funding priorities and restrictions on grants, including that no grant may be used generally for seasonal support to a group; and no grants may be for individuals except for literature fellowships, National Heritage fellowships, or American Jazz Master fellowships.

Table I4.Arts and Humanities Funding FY2002-FY2003

(\$ in thousands)

Arts/ Humanities Funding	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
NEA	\$98,234	\$99,489	\$116,489 ^a	\$99,489	\$116,489 ^a
Challenge America Arts Fund	17,000	17,000	{17,000} ^a	27,000	{17,000} ^a
Subtotal NEA	115,234	116,489	116,489	126,489	116,489

Arts/ Humanities Funding	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
NEH grants and administration	108,382	109,632	109,632	114,932	109,632
NEH matching grants	16,122	16,122	16,122	16,122	16,122
Subtotal NEH	124,504	125,754	125,754	131,054	125,754
OMS/IMLS	26,899	29,022 ^b	^b	^b	^b

- a. The total for NEA grants and administration includes the Challenge America program.
- b. Beginning with FY2003, the Office of Museum Services as part of IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.

For further information on the *National Endowment for the Arts*, see its web site at <http://arts.endow.gov/>.

For further information on the *National Endowment for the Humanities*, see its web site at <http://www.neh.gov/>.

For further information on the *Institute of Museum Services*, see its web site at <http://www.imls.gov/>.

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

Cross-Cutting Topics

The Land and Water Conservation Fund (LWCF)

The four principle land management agencies—Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service—draw primarily on the LWCF to acquire lands. The presentations about each of those agencies earlier in this report identifies funding levels for their land acquisition activities. The LWCF also funds acquisition and recreational development by state and local governments through a state grant program administered by the National Park Service. The LWCF is authorized at \$900 million annually through FY2015. However, each agency's acquisitions, as well as the state grant program, are funded through annual appropriations. Appropriations for federal acquisitions generally are earmarked to specific management units, while the state grant program rarely is earmarked.

Through FY2002, the total amount that could have been appropriated from the LWCF since its inception was \$25.4 billion. Actual appropriations have been \$12.5 billion. In recent years, until FY2003, appropriators had provided generally increasing amounts from the Fund for land acquisition. The total had more than quadrupled, rising from a low of \$138 million in FY1996 to \$573 million in FY2002. The FY2003 appropriation is less than the FY2000 level. **Table 15** shows LWCF appropriations for the past four years (FY2000-FY2003), the Bush Administration requests for FY2002 and FY2003, and congressional action for FY2003.

Table 15. LWCF Funding: FY2000 through FY2003

(\$ in millions)

Agency	FY2000 Approp	FY2001 Approp	FY2002 Request	FY2002 Approp	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp
BLM	\$48	\$56	\$48	\$50	\$45	\$30	\$47	\$34
FWS	62	121	104	99	70	82	82	73
NPS Federal Acquisitions	139	125	107	130	86	89	99	75
NPS Administered State Grants	41	90	450	144	200 ^a	115	154	98
FS	160	156	131	150	131	148	146	134
Total	450	548	840	573	532^b	464	528	414

Source: Data for FY2000 and FY2001 compiled by the Department of the Interior Budget Office; data for FY2002 from Interior Appropriations Conference Report (H.Rept. 107-234); and data for FY2003 from budget proposals and appropriations committees documents.

Note: In some recent years, Congress has appropriated LWCF Funds to federal agencies for purposes other than land acquisition and stateside grants. This started when Congress provided \$72 million for other purposes in the FY1998 Interior appropriations law. Funding in FY1999 was entirely for land acquisition. Since then, funding for other purposes has included \$15 million in FY2000, \$456 million in FY2001, \$135 million in FY2002, and at least \$170 million for FY2003.

- a. This figure includes \$50 million for a new Cooperative Conservation Initiative, which was not funded by either the House or the Senate, and was not included in the final bill.
- b. This total does not include \$3.0 million sought by DOI for the Shivaist Indian Water Settlement Act of 1999, which authorizes LWCF funds for the Paiute Tribe in Utah.

Congress may continue to lower LWCF appropriations, as it did in the early and mid 1990s, as part of efforts to address the federal budget deficit. In addition, other priorities have become more pressing in the wake of 9/11. The lower FY2003 appropriation request of \$532 million from the Bush Administration was in sharp contrast with its request for full funding for FY2002, and less than the \$573 million that Congress provided in FY2002. The decline continued chronologically with each step in the FY2003 legislative process; the House passed less funding than the Administration requested, then the Senate approved less funding than the House. The amount provided by the conference committee and enacted into law—\$414 million—is more than \$100 million less than the House-passed total and is \$50 million less than the Senate-passed total. The amount enacted for FY2003 also is significantly less than was appropriated in FY2000, FY2001, and FY2002. It is less in total than in FY2002 but also less for each of the five accounts that make up the Land and Water Conservation Fund.

The FY2003 enacted total also is significantly less than Administration requested. One example of a reduction is that the FY2003 law provides a \$15 million dollar earmark through the National Park Service to provide grants to Florida to acquire land critical to the South Florida (Everglades) Ecosystem Restoration; both the House- and Senate-passed bills, and the Bush administration request, had included \$20 million.

As in recent years, some of the Fund is appropriated for other programs. For instance, the following programs received the specified amounts from the LWCF (some of the

programs received additional funding outside the LWCF). Programs and amounts include: the FWS's Landowner Incentive Program (\$40 million); the FWS's Stewardship Grants Program (\$10 million); the FWS's Cooperative Endangered Species Conservation Fund (\$51.5 million); the FWS's State and Tribal Wildlife Grants (\$65 million); and the BIA's Land and Water Claims Settlements (\$3 million).

In FY2003, The Bush Administration requested \$200 million for the state grant program portion of the Land and Water Conservation Fund, of which \$50 million would have funded a proposed Cooperative Conservation Initiative. This Initiative sought to promote conservation through partnerships that match BLM, NPS, and FWS funds with local contributions. In addition to the \$50 million provided from LWCF, the Administration sought another \$50 million for the Initiative from the operating accounts of the three DOI land management agencies, for a total of \$100 million. Congress did not fund this proposed Initiative, although the House expressed strong interest in the concept on which it is based, of using programs that can leverage federal funds, identifying numerous opportunities.

Conservation Spending Category

The House and Senate Appropriations Committees created the Conservation Spending Category (CSC) in the FY2001 Interior appropriations law. The CSC combines funding for about 2 dozen resource protection programs including the LWCF (it also includes some coastal and marine programs funded through Commerce appropriations). This action was in response to the Clinton Administration request for substantial funding increases in these programs under his Lands Legacy Initiative and widespread congressional interest in increasing conservation funding. The FY2001 law appropriated \$1.21 billion for FY2001 (and \$470 million through the Commerce appropriations law). The amount appropriated in FY2001 through Interior appropriations was a substantial increase from a total of \$557 million for these programs the preceding year. The FY2001 law also authorized that total spending under the category would grow each year, from \$1.6 billion in FY2001 (of which \$1.2 billion would be in Interior Appropriations programs) to \$2.4 billion in FY2006. All funding each year is subject to the appropriations process.

For FY2002, the Bush Administration did not use the framework of the CSC, but requested a total of \$1.26 billion for this group of programs. Congress used the category and appropriated \$1.30 billion. In its FY2003 budget request, again the Administration did not use the CSC category. However, the House Appropriations Subcommittee on Interior and Related Agencies estimated that the FY2003 request totaled \$1.32 billion for programs in this category, a slight increase from FY2002 funding. The House-passed bill provided \$1.44 billion. The report accompanying the Senate-passed bill states that the CSC is not being used because the Budget Act in which it was established has expired and there is no budget resolution. It also states that total funding for FY2003 under this bill meets the aggregate total projected for the CSC in FY2003. Neither the FY2003 appropriations law nor the accompanying conference report contain calculations of FY2003 funding for the CSC. Rather, the joint explanatory statement of the conference report states that no funds in the act are derived from the CSC, but that most of the programs previously funded under that category are continued in FY2003.

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106th Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Report RS20471. *The Conservation Spending Category: Funding for Natural Resource Protection*, by Jeffrey Zinn.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107th Congress*, by Jeffrey Zinn.

Everglades Restoration

The alterations of the natural flow of water by a series of canals, levees, and pumping stations, combined with agricultural and urban development, are thought to be the leading causes of environmental deterioration in the South Florida ecosystem. In 1996, Congress authorized the U.S. Army Corps of Engineers (Corps) to create a comprehensive plan to restore, protect, and preserve the entire South Florida ecosystem, which includes the Everglades (P.L. 104-303). A portion of this plan—The Comprehensive Everglades Restoration Plan (CERP), completed in 1999—provides for federal involvement in the restoration of the ecosystem. Congress authorized the Corps to implement CERP in the Water Resources Development Act of 2000 (WRDA 2000; Title VI of P.L. 106-541). Based on CERP and other previously authorized restoration projects, the federal government, along with state, local, and tribal entities, is currently engaged in a collaborative effort to restore the South Florida ecosystem.

The principal objective of CERP is to redirect and store “excess” freshwater currently being discharged to the ocean via canals, and use it to restore the natural hydrological functions of the South Florida ecosystem. CERP seeks to deliver sufficient water to the natural system without impinging on the water needs of agricultural and urban areas. The federal government is responsible for half the cost of implementing CERP, and the other half is borne by the State of Florida, and to a lesser extent, local tribes and other stakeholders. CERP consists of 68 projects that are expected to be implemented over approximately 36 years, with an estimated total cost of \$7.8 billion; the total federal share is estimated at \$3.9 billion.¹⁹

Restoration activities are conducted by federal agencies in the South Florida ecosystem under CERP and other laws. For example, for FY2003, Congress appropriated \$90.0 million to the Corps for restoration work in Central and Southern Florida, yet only a portion of this total was appropriated for projects authorized by CERP. The remaining amount is expected to be for projects authorized by other laws, namely the Everglades National Park and Protection Act of 1989 (P.L. 101-229) and the Water Resources Development Act of 1996 (P.L. 104-303). From FY1993 to FY2003, federal appropriations for projects and services related to the restoration of the South Florida ecosystem have exceeded \$1.9 billion dollars, and state funding has topped \$3.6 billion.²⁰

¹⁹ CERP is the first stage in a three stage process to restore the Everglades. The estimated total cost of the entire restoration effort in the Everglades (i.e., all three stages) is estimated at \$14.8 billion.

²⁰ These figures represent an estimated cost of all CERP and non-CERP related costs for restoration in the South Florida ecosystem. They were taken from a Cross-Cut Budget published by the South Florida Ecosystem Restoration Program in 1999, 2000, 2001 and 2002. Before 1993, appropriations for restoration projects in South Florida were not organized in one source. Rather, appropriations were authorized for specific projects throughout South Florida.

The average annual federal cost for restoration activities in Southern Florida in the next 10 years is expected to be approximately \$286 million/year.²¹ For FY2003, the administration requested approximately \$260 million for restoration activities in the South Florida ecosystem, of which approximately \$46 million was for the implementation of CERP.²² Of the projects and activities specified in the FY2003 appropriations conference report, over \$180 million has been appropriated for restoration activities in the Everglades.²³

Appropriations for restoration projects in the South Florida ecosystem have been included in several annual appropriations laws. The Department of the Interior (DOI) and Related Agencies Appropriations laws have provided funds to several DOI agencies for restoration projects. Specifically, DOI conducts CERP and non-CERP activities in Southern Florida through the National Park Service (NPS), Fish and Wildlife Service (FWS), U.S. Geological Survey (USGS), and Bureau of Indian Affairs (BIA). For FY2003, the DOI requested \$96.1 million for CERP and non-CERP activities related to restoration in the South Florida ecosystem. Of this total, the NPS requested \$70.4 million for land acquisition, construction, and research activities; the FWS requested \$13.2 million for land acquisition, refuges, ecological services, and other activities; the USGS requested \$12.1 million for research, planning, and the Critical Ecosystem Studies Initiative; and the BIA requested \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. See **Table 16**.

Appropriations for other restoration projects in the South Florida ecosystem have been provided to the Corps (Energy and Water Development Appropriations), National Oceanic and Atmospheric Administration (NOAA) (Departments of Commerce, Justice, and State, the Judiciary, and other Related Agencies Appropriations), U.S. Environmental Protection Agency (EPA) (VA, HUD, and Related Agencies Appropriations), and U.S. Department of Agriculture (USDA) (U.S. Department of Agriculture and Related Agencies Appropriations).

Table 16. Appropriations for Everglades Restoration in the DOI Budget (FY2002-FY2003)

(\$ in thousands)

Agencies requesting funding for Everglades Restoration	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed ^a	FY2003 House Passed	FY2003 Approp.
National Park Service					
Park Operations ^b	\$23,635	\$24,030	N/A	\$24,030	\$24,030
Land Acquisition	15,000	20,000	\$20,000	20,000	15,000
Modified Water Delivery	35,199	13,295	13,295	13,295	10,000

²¹ This figure is based on CERP and non-CERP related restoration activities in South Florida.

²² For Everglades restoration funding appropriated to the U.S. Army Corps of Engineers, refer to CRS Report RL31307, Appropriations for FY2003: Energy and Water Development, January 27, 2003.

²³ Several restoration activities in the Everglades are conducted under larger programs. Funding for these activities are expected to be specified by individual agencies.

Agencies requesting funding for Everglades Restoration	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed ^a	FY2003 House Passed	FY2003 Approp.
Critical Ecosystem Studies Initiative	4,000	0	0	4,000	4,000
Planning and Interagency coordination for Everglades Restoration ^c	10,220	10,229	6,878	10,892	10,878
Everglades Acquisitions Management	2,800	2,800	N/A	2,800	2,800
NPS Total	90,854	70,354	N/A	75,017	66,708
Fish and Wildlife Service					
Land Acquisition	8,500	6,250	2,500	5,750	2,500
Ecological Services	2,554	2,554	N/A	2,554	2,554
Refuges and Wildlife	3,706	3,706	N/A	3,706	3,706
Law Enforcement	636	636	N/A	636	636
Fisheries	100	100	N/A	100	100
FWS Total	15,496	13,246	N/A	12,746	9,496
U.S. Geological Survey					
Research, Planning and Coordination	8,636	8,129	N/A	8,129	8,129
Critical Ecosystem Studies Initiative ^b	0	4,000	4,000	0	0
USGS Total	8,636	12,129	N/A	8,129	8,129
Bureau of Indian Affairs					
Stormwater treatment on Seminole Tribal lands	396	396	0	300	300
DOI TOTALS^d	115,382	96,125	N/A	96,192	84,633

- Columns with N/A (not available) indicate that funding levels are not specified in bills.
- This includes total funding for park operations in Everglades National Park, Dry Tortugas National Park, Biscayne National Park, and Big Cypress National Preserve.
- This category includes appropriations for activities authorized by CERP as well as the operating expenses for the South Florida Ecosystem Task Force.
- Several activities performed by the DOI that are related to Everglades restoration are not specified in appropriations bills. These activities usually are part of a larger category of funding and in some cases their funding is determined by the agencies and reported later.

For restoration activities in the Everglades in FY2003, the DOI received approximately \$30 million less than in FY2002. The primary reductions in funding were for the Modified Waters Delivery Project (from \$35.2 million to \$10.0 million) and land acquisitions conducted by the FWS (\$8.5 million to \$2.5 million). Appropriations for the Modified Waters Delivery Project were largely provided in prior fiscal years. The FY2003 level was \$11.5 million less than the Administration's request, including decreases of \$5.0 million and \$3.8 million for land acquisitions in the State of Florida to

be conducted by the NPS and FWS, respectively. The FY2003 law provided the Fish and Wildlife Service with \$1.8 million to purchase land near the Pelican Island National Wildlife Reserve (NWR) and \$0.8 million to purchase land near the Key Deer NWS. Other programs related to Everglades restoration were appropriated at the FY2003 requested levels. This includes the Critical Ecosystem Initiative for \$4.0 million; ecological services for the Fish and Wildlife Service for \$2.5 million; and surveys, investigations, and research by the USGS for \$8.1 million. The FY2003 appropriations law also authorizes the implementation of a flood control plan (Alternative 6D) as part of the Modified Water Delivery Project. (See the Everglades section under the National Park Service section above.)

The Interior appropriations bills passed by the House and Senate had provided similar levels of funding for the NPS to conduct restoration activities in Southern Florida, with some exceptions. The \$4.0 million for the Critical Ecosystem Studies Initiative allocated to the NPS in the House bill was given to the USGS by the Senate. For the FWS, the Senate passed \$3.3 million less for FWS land acquisitions than the House. Specifically, the Senate passed \$1 million for the acquisition of lands at the J.N. Ding Darling National Wildlife Reserve and \$1.5 million for the National Key Deer Refuge; the House passed \$3 million and \$1.5 million respectively for the same lands, as well as \$1.3 million for lands near the Pelican Bay National Wildlife Reserve. The FWS seeks to acquire these lands on the grounds that doing so would benefit restoration activities in CERP. For BIA, the House provided \$0.3 million for water quality studies on the Seminole Indian Reservation, which was not included in the Senate-passed bill but contained in the FY2003 appropriations law.

There is little detailed information in either bill or report language about appropriations recommended for the FWS, USGS, and BIA for restoration activities in the South Florida ecosystem. Some of these restoration activities are part of larger programs that are funded in appropriations bills. For example, the USGS proposes to collect data, construct models, and conduct studies in South Florida that are expected to benefit restoration activities. Some of these restoration activities fall under the categories of water resources investigations and biological research, which are broad activities funded by the USGS. Detailed information about these activities can be found in agency budget justifications and in a cross-cut budget prepared by the South Florida Ecosystem Restoration Program <http://www.sfrestore.org>.

For further information on *Everglades Restoration*, see the web site of the South Florida Ecosystem Restoration Program at <http://www.sfrestore.org> and the web site of the Corps of Engineers at <http://www.evergladesplan.org/>.

CRS Report RS20702. *South Florida Ecosystem Restoration and the Comprehensive Everglades Restoration Plan*, by Nicole T. Carter.

CRS Report RL31621. *Florida Everglades Restoration: Background on Implementation and Early Lessons*, by Pervaze A. Sheikh.

For Additional Reading

Title I: Department of the Interior

CRS Report RL31278. *Arctic National Wildlife Refuge: Background and Issues*. M. Lynne Corn, coordinator.

CRS Issue Brief IB10094. *Arctic National Wildlife Refuge: Legislative Issues*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106th Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Report RL31115. *Legal Issues Related to Proposed Drilling for Oil and Gas in the Arctic National Wildlife Refuge*, by Pamela Baldwin.

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries.

CRS Report RS21157. *Multinational Species Conservation Fund*, by M. Lynne Corn.

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent and David Whiteman, coordinators.

CRS Report RL31392. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107th Congress*, by Jeffrey Zinn.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

Land Management Agencies Generally

CRS Report RS20002. *Federal Land and Resource Management: A Primer*, by Ross W. Gorte.

CRS Report RL30867. *Federal Land Management Agencies: Background on Land and Resource Management*, by Carol Hardy Vincent, Betsy A. Cody, M. Lynne Corn, Ross W. Gorte, Sandra L. Johnson, David Whiteman, and Pamela Baldwin.

CRS Report RL30335. *Federal Land Management Agencies' Permanently Appropriated Accounts*, by Ross W. Gorte, M. Lynne Corn, and Carol Hardy Vincent.

CRS Report RL30126. *Federal Land Ownership: Constitutional Authority; the History of Acquisition, Disposal, and Retention; and Current Acquisition and Disposal Authorities*, by Ross W. Gorte and Pamela Baldwin.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

Title II: Related Agencies

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Performance Measures*, by Ross W. Gorte (available from author).

CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

Selected World Wide Web Sites

Information regarding the budget, supporting documents, and related departments, agencies and programs is available at the following web or gopher sites.

House Committee on Appropriations.

<http://www.house.gov/appropriations>

Senate Committee on Appropriations.

<http://www.senate.gov/~appropriations/>

CRS Appropriations Products Guide.

<http://www.crs.gov/products/appropriations/apppage.shtml>

Congressional Budget Office.

<http://www.cbo.gov/>

General Accounting Office.

<http://www.gao.gov>

House Republican Conference.

<http://www.gop.gov/committeecentral/docs/pubs/appropriationsroundup/>

Office of Management and Budget.

<http://www.whitehouse.gov/OMB/>

Title I: Department of the Interior

Department of the Interior (DOI).

<http://www.doi.gov/>

Bureau of Indian Affairs (BIA).

<http://www.doi.gov/bureau-indian-affairs.html>

Bureau of Land Management (BLM).

<http://www.blm.gov/nhp/index.htm>

Fish and Wildlife Service (FWS).

<http://www.fws.gov/>

Historic Preservation.

<http://www2.cr.nps.gov/>

Insular Affairs.

<http://www.doi.gov/oia/index.html>

Minerals Management Service (MMS).

<http://www.mms.gov/>

National Park Service (NPS).

<http://www.nps.gov/>

Office of Surface Mining Reclamation and Enforcement (OSM).

<http://www.osmre.gov/osm.htm>

Office of Special Trustee for American Indians.

<http://www.ost.doi.gov/>

U.S. Geological Survey (USGS).

<http://www.usgs.gov/>

Title II: Related Agencies

Departments

Agriculture, Department of (USDA).

<http://www.usda.gov/>

Department of Agriculture: U.S. Forest Service.

<http://www.fs.fed.us/>

USDA Strategic Plan.

<http://www.usda.gov/ocfo/strat/index.htm>

Energy, Department of (DOE).

<http://www.energy.gov/>

Energy Conservation Budget

<http://www.mbe.doe.gov/budget/03budget/>

Energy Conservation Programs

<http://www.eren.doe.gov/>

Fossil Energy.

<http://www.fe.doe.gov/>

Strategic Petroleum Reserve.

<http://www.fe.doe.gov/programs/reserves/spr>

Health and Human Services, Department of (HHS).

<http://www.dhhs.gov/>

Indian Health Service (IHS).

<http://www.ihs.gov/>

Agencies

Advisory Council on Historic Preservation.

<http://www.achp.gov>

Institute of American Indian and Alaska Native Culture and Arts Development.

<http://www.iaiancad.org/>

Institute of Museum Services.

<http://www.imls.gov/>

John F. Kennedy Center for the Performing Arts.

<http://Kennedy-Center.org/>

National Capital Planning Commission.

<http://www.ncpc.gov>

National Endowment for the Arts.

<http://arts.endow.gov/>

National Endowment for the Humanities.

<http://www.neh.gov/>

National Gallery of Art.

<http://www.nga.gov/>

Smithsonian.

<http://www.si.edu/>

U.S. Holocaust Memorial Council and U.S. Holocaust Memorial Museum.

<http://www.ushmm.org/>

Woodrow Wilson International Center for Scholars.

<http://wwics.si.edu/>

Table 17. Department of the Interior and Related Agencies Appropriations
(in thousands)

Bureau or Agency	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
Title I: Department of the Interior					
Bureau of Land Management	1,872,597	1,825,422	1,861,458	1,908,742	1,883,560
U.S. Fish and Wildlife Service	1,276,424	1,283,364	1,213,108	1,397,891	1,252,000
National Park Service	2,380,074	2,355,561	2,286,305	2,395,139	2,245,274
U.S. Geological Survey	914,002	867,338	914,617	928,405	925,287
Minerals Management Service	156,772	170,327	170,427	170,826	171,426
Office of Surface Mining Reclamation and Enforcement	306,530	279,402	297,112	290,112	297,112
Bureau of Indian Affairs	2,212,876	2,245,804	2,267,329	2,270,758	2,272,013
Departmental Offices	367,144	423,535	420,126	392,302	408,436
General Provisions	—	—	—	—	—
Total, Title I	9,486,419	9,450,753	9,430,482	9,754,175	9,455,108
Title II: Related Agencies					
U.S. Forest Service	4,130,416	3,948,711	3,949,824	4,145,250	3,976,689
Department of Energy	1,766,470	1,717,241	1,764,243	1,928,643	1,752,288
Clean Coal Technology	-40,000	—	-70,000	-50,000	-87,000
Fossil Energy R & D	582,790	489,305	625,665	664,205	624,900
Alternative Fuels Production (rescission)	-2,000	—	—	—	—
Naval Petroleum and Oil Shale Reserves	17,371	20,831	20,831	20,831	17,831
Elk Hills School Lands Fund	36,000	36,000	36,000	36,000	36,000
Energy Conservation	912,805	901,651	884,293	984,653	897,603
Economic Regulation	1,996	1,487	1,487	1,487	1,487
Strategic Petroleum Reserve (SPR)	179,009	168,856	172,856	175,856	172,856

Bureau or Agency	FY2002 Approp.	FY2003 Request	FY2003 Senate Passed	FY2003 House Passed	FY2003 Approp.
SPR Petroleum Account	—	11,000	7,000	7,000	2,000
Northeast Home Heating Oil Reserve	—	8,000	6,000	8,000	6,000
Energy Information Administration	78,499	80,111	80,111	80,611	80,611
Indian Health Service	2,759,101	2,815,568	2,821,271	2,900,621	2,868,305
Office of Navajo and Hopi Indian Relocation	15,148	14,491	14,491	14,491	14,491
Institute of American Indian and Alaska Native Culture and Arts Development	4,490	5,130	5,130	5,130	5,490
Smithsonian Institution	518,860	527,960	530,960	527,960	548,530
National Gallery of Art	85,335	94,449	93,449	94,449	93,449
John F. Kennedy Center for the Performing Arts	38,310	33,910	33,910	33,910	33,910
Woodrow Wilson International Center for Scholars	7,796	8,488	8,488	8,488	8,488
National Endowment for the Arts	98,234	99,489	116,489	99,489	116,489
National Endowment for the Humanities	124,504	125,754	125,754	131,054	125,754
Institute of Museum and Library Services	26,899	a	a	a	a
Challenge America Arts Fund	17,000	17,000	b	27,000	b
Commission of Fine Arts	1,224	1,224	1,224	1,255	1,224
National Capital Arts and Cultural Affairs	7,000	7,000	7,000	7,000	7,000
Advisory Council on Historic Preservation	3,400	3,667	3,667	3,667	3,667
Natl Capital Planning Comm.	8,011	7,253	7,253	7,553	7,253
Holocaust Memorial Museum	36,028	38,663	38,663	38,663	38,663
Presidio Trust	23,125	21,327	21,327	21,327	21,327
Total, Title II: Related Agencies	9,671,351	9,487,325	9,543,143	10,495,950	9,623,017
Title VII: United Mine Workers of America Combined Benefit Fund					
United Mine Workers of America Combined Benefits Fund	—	—	—	—	—
Grand Total (in Bill) ^c	19,157,770	18,938,078	18,973,625 ^d	19,750,125	19,078,125 ^f

Source: House Appropriations Committee and Congressional Record.

Notes: Figures in data column one reflect FY2001 appropriations, and in data column two reflect FY2002 appropriations. Figures in data column three reflect the budget requests by the Bush Administration for FY2003. Figures in data column four and five reflect appropriations passed by the Senate and House respectively.

- a. Beginning with FY2003, the Office of Museum Services as part of the IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.
- b. Funding (\$17.0 million) for Challenge America Arts Fund is included in the total for the National Endowment for the Arts.
- c. Figures do not reflect scorekeeping adjustments. The FY2003 request includes an adjustment of \$506.0 million for retirement accruals.
- d. FY2003 Senate-passed figures do not reflect across-the-board reductions estimated at 2.852% as it is unclear how these reductions would be calculated for Interior and related agencies.
- e. Figures in this column do not reflect a supplemental of \$700 million sought for FY2002 firefighting efforts.
- f. FY2003 enacted figures do not reflect an across-the-board cut of 0.65% in the FY2003 omnibus appropriations law (P.L. 108-7) as it is unclear how the cut would be calculated for Interior and related agencies. The total also does not include \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.

Table 18. Conservation Spending Category: Interior Appropriations

(\$ in millions)^a

Subcategory/Appropriations Account	FY2001 Approp.	FY2002 Request	FY2002 Approp.	FY2003 Request ^f
LWCF, Federal and State				
BLM Federal Land Acquisition	56.5	47.7	49.9	44.7
FWS Federal Land Acquisition	121.2	104.4	99.1	70.4
NPS Federal Land Acquisition	124.8	107.0	130.1	86.1
Departmental Management, BIA Water Settlement	–	–	–	3.0b
FS Federal Land Acquisition	150.9	130.9	149.7	130.5
NPS Stateside Grants and Administration	90.3	450.0	144.0	200.0 ^d
<i>Subtotal, Federal and State^c</i>	543.7	840.0	572.9	534.6
LWCF, Other				
FWS State Wildlife Grants ^e	49.9	–	60.0	60.0
FWS Incentive Grant Programs	–	60.0	40.0	50.0
FWS Stewardship Grants Program	–	–	10.0	10.0
FWS Cooperative Endangered Species Conservation Fund	104.7	54.7	96.2	91.0
FWS North American Wetlands Conservation Fund	39.9	14.9	43.5	43.6
FS, Forest Legacy	59.9	30.1	65.0	69.8
FS, Forest Stewardships ^g	(32.8)	(32.9)	(33.2)	49.5
FS, NFS Inventory and Monitoring	20.0	–	–	–
<i>Subtotal, State and Other Conservation Programs^c</i>	274.4	159.7	314.7	373.9
Total LWCF^c	818.1	999.7	887.6	908.5

Conservation Programs				
BLM MLR Cooperative Conservation Initiative	–	–	–	10.0
FWS RM Cooperative Conservation Initiative	–	–	–	18.0
NPS ONPS Cooperative Conservation Initiative	–	–	–	22.0
USGS State Planning Partnerships	24.9	–	25.0	13.6
Subtotal Conservation Programs ^c	24.9	–	25.0	63.6
Urban and Historic Preservation Programs				
NPS Historic Preservation Fund	94.1	67.1	74.5	67.0

Conservation Programs				
NPS Urban Parks and Recreation Recovery Grants	29.9	–	30.0	0.3
FS Urban and Community Forestry	35.6	31.8	36.0	36.2
BLM Youth Conservation Corps	1.0	1.0	1.0	1.0
FWS Youth Conservation Corps	1.0	2.0	2.0	2.0
NPS Youth Conservation Corps	2.0	2.0	2.0	2.0
FS Youth Conservation Corps	2.0	2.0	2.0	2.0
Subtotal Urban and Historic Preservation Programs ^c	165.7	105.9	147.5	110.5
Payments in Lieu of Taxes, BLM	49.9	–	50.0	15.0
Subtotal PILT	49.9	–	50.0	15.0
Federal Infrastructure Improvement Programs				
BLM - Management of Lands & Resources	24.9	25.0	28.0	29.0
FWS - Resource Management	24.9	25.0	29.0	58.0
NPS - Construction	49.9	50.0	66.9	82.2
FS - Capital Improvement and Maintenance	49.9	50.5	61.0	50.9
Subtotal Federal Infrastructure Improvement Programs ^c	149.7	150.5	184.9	220.1
Total^c	1,208.3	1,255.7	1,295.0	1,317.7

Source: House Appropriations Committee.

- a. The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) as amended established 3 discretionary spending categories: General Purpose, Highway, and Mass Transit. Title VIII of P.L. 106-291, the Department of the Interior and Related Agencies Appropriations Act for FY2001, established a fourth category of discretionary spending – for “conservation.” That law also identified the specific activities that would be included within the “conservation spending category.” The category essentially includes those activities, identified by Congress, in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other natural resources; to provide recreational opportunities; and for other purposes. This table presents the current and proposed distribution of these conservation funds. Dashes indicate that the funding is understood to be zero. Further, several programs in this category have not received separate funding under conservation spending for FY2001-FY2003. They include Competitive Grants for Indian Tribes, FWS Neotropical Migratory Birds, FS Stewardship Incentives Program, and National Wildlife Refuge fund, FWS.
In FY2003, the House, Senate, and appropriations law (P.L. 108-7) did not contain calculations of funding for the CSC. The joint explanatory statement of the conference report on the enacted measure stated that no funds in the law are derived from the CSC, but that most of the programs previously funded under that category are continued in FY2003.
- b. The Administration is seeking \$3.0 million under the DOI Departmental Management (DM) line item for the Shivaist Indian water settlement Act of 1999, which authorizes LWCF funds for the Paiute Tribe in Utah.
- c. Subtotals and totals may not add due to rounding.
- d. \$50 million of this total is part of a new Cooperative Conservation Initiative, and the remaining \$150 million would be distributed to states using an allocation formula developed by the administration for the traditional land acquisition and site development activities of states.
- e. For FY2001, an additional \$50 million was appropriated for formula grants which were authorized in Title IX of the FY2001 Commerce appropriations law. Further, the FY2002 enacted amount reflects a rescission of \$25.0 million.

- f. In FY2003, four additional programs are proposed to be funded from LWCF: FWS Cooperative Endangered Species Conservation Fund; FWS North American Wetlands Conservation Fund; FS Forest Legacy; and FS Forest Stewardship.
- g. Funds for FS, Forest Stewardship were not considered part of the CSC in FY2001 and FY2002 so funds in those years are not counted in the column totals. Because the program is proposed to be included in the CSC in FY2003, the requested level is included in the column total. This could tend to exaggerate the difference between levels of CSC funding in FY2003 and earlier years.

Table 19. Historical Appropriations Data from FY1998 to FY2003

(\$ in thousands)

Agency or Bureau	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003
Department of the Interior						
Bureau of Land Management	1,137,852	1,183,895	1,231,402	2,147,182	1,872,597	1,883,560
U.S. Fish and Wildlife Service	745,387	839,804	875,093	1,227,010	1,276,424	1,252,000
National Park Service	1,646,926	1,764,224	1,803,847	2,135,219	2,380,074	2,245,274
U.S. Geological Survey	759,160	798,896	813,376	882,800	914,002	925,287
Minerals Management Service	143,639	124,020	116,318	139,221	156,772	171,426
Office of Surface Mining Recl. and Enforce.	273,061	278,769	291,733	302,846	306,530	297,112
Bureau of Indian Affairs	1,701,991	1,746,428	1,869,052	2,187,613	2,212,876	2,272,013
Departmental Offices ^a	241,195	394,199	319,869	352,519	367,144	408,436
General Provisions	—	—	—	12,572	—	—
Total for Department	6,649,211	7,130,235	7,320,690	9,386,982	9,486,419	9,455,108
Related Agencies						
U.S. Forest Service	2,506,568	2,757,464	2,819,933	4,435,391	4,130,416	3,976,689
Department of Energy	1,048,151	1,316,878	1,226,393	1,453,644	1,766,470	1,752,288
Indian Health Service	2,098,612	2,242,287	2,390,728	2,628,766	2,759,101	2,868,305
Office of Navajo and Hopi Indian Relocation	15,000	13,000	8,000	14,967	15,148	14,491
Inst. of Amer. Indian and Alaska Culture & Arts Dev.	4,250	4,250	2,125	4,116	4,490	5,490
Smithsonian Institution	402,258	412,254	438,130	453,854	518,860	548,530
National Gallery of Art	62,029	64,350	67,590	75,485	85,335	93,449
JFK Center for the Performing Arts	20,375	32,187	33,871	33,925	38,310	33,910

Agency or Bureau	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003
Woodrow Wilson International Center for Scholars	5,840	5,840	6,763	12,283	7,796	8,488
National Endowment for the Arts	98,000	98,000	97,628	97,785	98,234	116,489
National Endowment for the Humanities	110,700	110,700	115,260	119,994	124,504	125,754
Institute of Museum and Library Services	23,280	23,405	24,307	24,852	26,899	^b
Challenge America Arts Fund	—	—	—	6,985	17,000	^c
Commission of Fine Arts	907	898	1,021	1,076	1,224	1,224
National Capital Arts and Cultural Affairs	7,000	7,000	6,973	6,985	7,000	7,000
Advisory Council on Historic Preservation	2,745	2,800	2,989	3,182	3,400	3,667
National Capitol Planning Commission	5,740	6,335	6,288	6,486	8,011	7,253
Holocaust Memorial Museum	31,707	35,007	33,161	34,363	36,028	38,663
Presidio Trust	—	34,913	44,300	33,327	23,125	21,327
Total for Related Agencies	6,443,162	7,167,568	7,325,460	9,447,466	9,671,351	9,623,017
Grand Total for All Agencies	13,791,373	14,297,803	14,911,650	18,892,320	19,157,770	19,078,125^d

- a. Beginning in FY1996, appropriations for the territories and other insular areas were consolidated within the Departmental Offices account. Departmental Offices also includes Insular Affairs and Office of the Special Trustee for American Indians.
- b. Beginning in FY2003, the Office of Museum Services as part of the IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.
- c. Funding (\$17.0 million) for Challenge America Arts Fund is included in the total figure for the National Endowment for the Arts.
- d. Figures in this column do not reflect an across-the-board cut of 0.65% in the FY2003 omnibus appropriations law (P.L. 108-7) as it is unclear how the cut would be calculated for Interior and related agencies. The total also does not include \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.

Key Policy Staff

Area of Expertise	Name	CRS Division ^a
Interior Budget Data/Coordinators	Carol Hardy Vincent and Susan Boren	RSI DSP
Art, Humanities, Cultural Affairs and Historic Preservation	Susan Boren	DSP
Bureau of Land Management	Carol Hardy Vincent	RSI
Energy Conservation	Fred Sissine	RSI
Everglades Restoration	Pervaze Sheikh	RSI
Fish and Wildlife Service	M. Lynne Corn	RSI
Forest Service	Ross W. Gorte	RSI
Fossil Energy	Marc Humphries	RSI
Indian Affairs	Roger Walke	DSP
Indian Health Service	Donna Vogt	DSP
Insular Affairs	Keith Bea	G&F
Land Acquisition	Jeffrey Zinn	RSI
Minerals Management Service	Marc Humphries	RSI
National Park Service	David Whiteman	RSI
Naval/Strategic Petroleum Reserve	Robert Bamberger	RSI
Surface Mining and Reclamation	Robert Bamberger	RSI
U.S. Geological Survey	Pervaze Sheikh	RSI

^a Division abbreviations: DSP = Domestic Social Policy; G&F = Government and Finance; RSI = Resources, Science, and Industry.

Author Information

Carol Hardy Vincent, Coordinator
Specialist in Natural Resources Policy

Susan Boren, Coordinator
Specialist in Social Legislation

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.